DONALD F. KETTL

POLITICS of the ADMINISTRATIVE PROCESS

9 EDITION

Politics of the Administrative Process

Ninth Edition

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Politics of the Administrative Process

Ninth Edition

Donald F. Kettl

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PREFACE

The rampant spread of COVID-19 in the early 2020s framed one of the biggest challenges to public administration in generations. It not only posed a major threat to the public health of Americans—and, indeed, to people around the world. It also created an enormous collection of major issues to governments at all levels and, in how these governments responded, a fundamental threat to trust in public institutions. To probe COVID-19 thus is not only to explore the connections among people everywhere. It is also to examine the ways that people connect with their government, how they hold government accountable, and how government serves them.

To understand government, one needs to understand public administration. COVID-19 can help us understand the fundamental elements of public administration. And understanding public administration can help us frame the ways government can serve the people and their needs for protection against the biggest threats to the public good.

The ninth edition of *The Politics of the Administrative Process* seeks to examine these important issues, set in the tense debates about the "deep state"—a loose confederation of interests that critics believe insulates bureaucratic power from accountability to elected officials. It's a wild and turbulent time for governance, not just in the United States but in countries around the world.

Some of this turbulence sets the debate about government's basic purpose: What do we want government to do? Do we trust it to get the job done? How much power does the bureaucracy need to accomplish government's mission? And at what point does this power threaten democratic rule? The many examples in the chapters of this book, along with the detailed cases that dig even more deeply into the basic questions, provide the raw material for examining the complex politics of the politics of the administrative process.

It's easy to look at COVID-19, as well as the other fierce debates about public administration, and to become discouraged, especially about government and what it can accomplish. That would be an enormous mistake, in two respects. First, it's certainly impossible to miss the deep conflicts in American governance, but many of those conflicts revolve around a deep debate about what we want government to do. In fact, the conflict is so deep because the issues are so tough and the stakes so high. The only real way to avoid such fractious politics is to pick easier battles, but the twenty-first century isn't allowing us that option.

Second, it's very possible to miss the fact that so much of the American administrative state works so well. Hurricane forecasts work with remarkable accuracy many days in advance. DNA tests allow police investigators to crack crimes that would have stymied dead case investigations in previous generations. Firefighters save many lives because they've found new strategies to prevent so many fires, and emergency medical technicians save countless lives every day because of their tremendous skill. We've dramatically reduced air pollution (but not enough), and we've made the water far cleaner (although we still face challenges in that regard). Medicare

and Medicaid have pulled millions of Americans out of the despair of illness, and our air traffic control system is the marvel of the world.

So this ninth edition emerges from a deep appreciation of so much that we, through our government, have managed to accomplish for American society. To the degree we want to achieve more—and that is the great inspiration of every generation—we have vast promise. This book is dedicated to those who do that work and, even more important, to those who seek inspiration to put their values to work. The pages that follow suggest just how that can be done. The book is a celebration of the great progress that governments make in solving our problems, every day.

This ninth edition is also a continuing celebration of the contributions of my late coauthor, James W. Fesler, who truly was one of the greatest scholars in the history of the field.[1] The first version of this book appeared in 1980, from his typewriter. (And it was a typewriter: Jim wrote the book long before the days of the personal computer, when cutting-and-pasting required a pair of scissors and lots of tape.) He began in the 1930s as an assistant professor during Franklin D. Roosevelt's New Deal. He contributed to winning World War II by serving as historian of the War Production Board, a position that might sound dull but which, in fact, was devoted to tracking the critical decisions the country made in allocating rubber and steel to the war effort. After the war, he went to Yale University, where he chaired the political science department and built it into the number-one-ranked program in the country. He helped develop a generation of scholars. His last doctoral student is the author of this ninth edition, which emerged from Jim's 1980 book.

I benefited enormously from Jim's ever-gracious tutelage, insight, and sense of history. Many of the historical references in the book come from Jim's deep appreciation for the lasting issues. He loved the story of the struggles to keep the windows clean in Queen Victoria's palace. Cleaning the outside was the job of one department, the inside of another, and the two departments were never in sync. Coordination of such a basic issue was something the queen never mustered. This sense of how history shapes administration—and how administration shapes history—has even made it into a few movies that talk about Victoria's frustrations. Thanks to his keen insight, I've never been able to look at the world in quite the same way.

I also suffered under his puns. He was a huge fan of puns, especially bad ones—the more tortured the pun, the better. In fact, one of the proudest moments of his career came when William Safire, the distinguished *New York Times* writer, noted one of Jim's puns in a column. In a 1996 piece for his "On Language" series, Safire cited a pun Jim had concocted. It's worth quoting Safire directly:

> The Roman orator Cicero, launching his attack on the politician he suspected of plotting an assassination, expressed his revulsion at the degeneration of high principle in his era with O tempora! O mores! ("O, the times! O, the bad new principles!") With this as background comes the cry of the Latin-trained Japanese chef deep-frying an eel: "O tempura! O morays!"[2]

Jim celebrated his pun's publication in the *Times.* He loved the way it told a bigger story: his affinity for history, connections across cultures, the knack for bringing lasting issues into today's focus (even if, in this case, the pun is especially painful), and a wry sense of humor that was never too far from the tips of his fingers on the keyboard.

He also celebrated government as the art of the possible. Having served the country during the terribly difficult days of World War II, he developed a keen sense that smart administrators could find good solutions for any tough problem. Jim would have been gravely concerned about the attacks on government and administration that have arisen since, both because he firmly believed that understanding the politics of the administrative process would make smart administrators the master of the toughest problems but also because, from his deep understanding of history, he was convinced that we can puzzle our way through anything—and that the way forward builds on strengthening the administrative process. Nothing would gratify him more than to know that students today are continuing to wrestle with the deep and enduring issues to which he devoted his long and wonderful life.

ORGANIZATION OF THE BOOK

Following a careful look at politics, performance, and accountability in **Chapter 1**, *The Politics of the Administrative Process* explores the important issues linking these three core elements. In this ninth edition, the book breaks the first chapter from the eighth edition into two pieces. Chapter 2 of this edition examines the complexity of accountability in substantial detail.

Part I of the book then moves on to consider what government does and how it does it. **Chapter 3** lays out government's strategies and tactics, as well as the growth of government's reliance on nongovernmental partners to do its work. **Chapter 4** examines the basic issues of administrative responsibility and the meaning of the "administrative state."

Part II probes the theories underlying organizations and their structure. **Chapter 4** charts the basics of organizational theory. **Chapters 6** and **7** analyze the structure of the executive branch and the problems that periodically hamper good organizational performance. **Chapter 8** examines the enduring instinct of policymakers and administrators alike to reform organizational structure.

Part III addresses the role of people inside these organizational structures and looks at the challenge of recruiting younger employees to public service, as baby boomers move to retirement. Civil service systems have long defined the basic rules and procedures for hiring and firing government workers, and that constitutes the focus of **Chapter 9**. **Chapter 10** asks how government can make the most of the intellectual capital its employees bring to the job.

Part IV carefully examines how administrative agencies accomplish their missions. Administration is about making decisions, and **Chapter 11** analyzes the theories about this process. **Chapter 12** applies these theories to budgeting, which is the most important administrative decision and which drives much of administrative action. **Chapter 13** explores how implementers transform decisions into practice.

Part V takes on the theme of government accountability, with **Chapter 14** probing the strategies of regulation and the courts. **Chapter 15** concludes the book by returning to the central overarching themes of executive power, politics, and accountability and examines, in particular, the control of administration by legislatures.

KEY FEATURES

Building on the book's full-color design, this edition offers important features. The graphs and most of the photos are new for this edition. I've kept some of the old classics—ones that Jim Fesler would have especially appreciated—but the graphic arts in the book are fresh and lively.

The book explores **three big themes** and how they affect public administration—politics, performance, and accountability. **Learning objectives** open each chapter. Readers will also find **key concepts** bolded within the text and listed at the end of each chapter for ease of review, and a comprehensive **glossary** at the back of the book defines the key concepts. Each chapter concludes with a list of resources **for further reading** and a discussion of **suggested websites** to aid further study.

There are fifteen new case studies for this edition. There is a new case in each chapter, and many of the favorites from previous editions have been included as well. All of the cases that have appeared in the previous eight editions of the book are available online. Each case ends with a "Questions to Consider" section, which challenges students to think critically about the big issues at play, to connect the ideas in the chapter with real-world examples, and to foster discussion among students about how they would solve the problems.

DIGITAL RESOURCES

The online resources for your text are available via the password-protected Instructor Resource Site, which offers access to all text-specific resources, including a test bank and editable, chapter-specific PowerPoint® slides.

ACKNOWLEDGMENTS

This book builds heavily on the pathbreaking work that Jim Fesler did, in his career and especially in the early editions of the book. He would be the first to remind us that the problems we're struggling with—determining what government should do and how best to do it—stretch to the very core of government. Jim found great energy in exploring those roots. That might not have solved the big conflicts, but it did help explain why the battles were worth fighting—and which fundamental issues will continue to shape the enduring issues about government and its administration. Jim's great contribution lay in explaining which fights we can win, which will endure, and why the battles matter.

Jim dedicated his long academic career to teaching students both about these fundamental issues and about the tools that they could use in improving government for citizens everywhere. His tremendous work taught me about why the public service matters to us all.

In preparing this new edition, I'm especially grateful to the entire SAGE/CQ Press team. In particular, let me thank Talia Greenberg, who did an outstanding job of copyediting the manuscript.

I want to thank the instructors around the country who have used this book to help their students understand the genuine excitement of this field—and all of our students, who will be leading the next generation of efforts to deliver better services to citizens.

Finally, I owe deep gratitude to my wife, Sue. Over the many years in which this book has taken shape and evolved, she's been an invaluable friend, muse, strategist, and touchstone. She's lived every chapter of this book as it has taken shape, she has tolerated hearing some of the same stories over and over (and over) again, and she has helped me discover many of the new stories that shape this edition. Her sharp insights and keen wit have made every edition better. She has my deep love and lasting thanks.

ABOUT THE AUTHOR

Donald F. Kettl

Donald F. Kettl is professor emeritus and former dean at the University of Maryland School of Public Policy. Until his retirement, he was the Sid Richardson Professor at the Lyndon B. Johnson School of Public Affairs, at the University of Texas at Austin. He is also a senior adviser at the Volcker Alliance, a nonresident senior fellow at the Brookings Institution, and a fellow of the National Academy of Public Administration.

Kettl is the author or editor of twenty-five books, including *Bridgebuilders: Harnessing Society's Superpowers to Solve Its Biggest Problems,* with William D. Eggers; *The Divided States of America* (2020); *Can Governments Earn Our Trust?* (2017); *Little Bites of Big Data for Public Policy* (2017); *Escaping Jurassic Government: Restoring America's Lost Commitment to Competence* (2016); *System under Stress: The Challenge to 21st Century American Democracy Homeland Security and American Politics* (2014); *The Next Government of the United States: Why Our Institutions Fail Us and How to Fix Them* (2008)*;* and *The Global Public Management Revolution* (2005).

He has received three lifetime achievement awards: the Dwight Waldo Award of the American Society of Public Administration; the John Gaus Award of the American Political Science Association; and the Warner W. Stockberger Achievement Award of the International Public Management Association for Human Resources. Three of his books have received national best-book awards.

Kettl holds a PhD in political science from Yale University. He consults broadly for government organizations, at all levels and around the world. He has appeared frequently in national and international media. With his wife, Sue, he is also a co-shareholder of the Green Bay Packers.

A year after the outbreak of COVID-19, the virus remained a major threat. People still lined up for testing, including at this New York City health clinic.

Source: UCG via Getty Images

1 THE FOUNDATIONS OF PUBLIC ADMINISTRATION

Politics, Performance, and Accountability

LEARNING OBJECTIVES

- Understand that policy is almost always meaningless—except as it takes shape in public administration
- Understand the three intertwined foundations and historical roots of public administration: politics, performance, and accountability
- Connect the themes of public administration with the COVID-19 pandemic
- Explore the connection between the three themes of public administration and historical crises in American politics
- Examine the central role of accountability in the administrative process

Public administration, at its core, is straightforward: how best to translate the decisions of policymakers into effective results. As we will see in this book, that process can often prove very complicated, but this issue of *performance* lies at the very heart of public administration.

But public administration is about much, much more than that. The road from policy decisions to policy execution leaves public administrators with enormous discretion. Just how strictly do highway patrol officers enforce the speed limit? When and where do public works managers patch potholes? How strongly do university presidents pursue diversity, equity, and inclusion? What options do military commanders put before the president when the president decides to act against terrorists? Just how should the Census Bureau count the nation's residents every ten years—decisions that dictate everything from the number of congressional districts in each state to the allocation of federal money?

In short, public administration is inevitably about *politics*. Public administration is about who gets what, when, and how, as Harold D. Lasswell defined politics in 1936. Public administration brings it to life.[1]

This power, however, often infuriates policymakers. In a democracy, they are elected by the people and, having been elected, they want to get things done. Policymakers are always hyperconscious of how little time they have. As political scientist Paul Light put it, they "come in saying, 'We've got an agenda; we've got four years, maybe eight, so we can't wait for action.'"[2] But administrators do not always march to the beat of that drum. In 2017, for example, President Donald Trump warned about "the steady creep of government bureaucracy that drains the vitality and wealth of the people."[3] He regularly complained about an entrenched "deep state" inside the bureaucracy that, he complained, too often blocked what he wanted to do and how fast he wanted to do it. Then, when President Joe Biden took office, he wanted to unwind much of what Trump sought—and to do so quickly.

And that raises the third big issue of the book: **accountability**, the responsibility of unelected officials to follow the policies of elected officials—and ultimately to be responsible to the people. How can government best combine the power of bureaucracy to deal with the inevitable political battles, promote good performance, and hold administrators accountable?

There is nothing new about these debates. In 1988, President Ronald Reagan got big laughs when he claimed "the 10 most dangerous words in the English language are, 'Hi, I'm from the Government, and I'm here to help.'"[4] Chief executives have always wanted to reorganize the bureaucracy to make it more responsive. And, when it comes to the "deep state," there is no better example of the risks than the assassination of the Roman emperor Caligula by his own Praetorian Guard in the year 41. The soldiers hired to protect him—the innermost power of the Roman bureaucracy—turned on the emperor when they no longer trusted his rule.

All of this, of course, sits in the background of constant criticisms about public administration. The most common complaint about government organizations is that they are "so bureaucratic." There is the inescapable grievance about bureaucratic waste, fraud, and abuse. Scott Mautz, a specialist on employee engagement, wrote, "Bureaucracy leads to non-value-added time suck activities."[5] Students have sometimes told me that they are leery about seeking government careers because they fear that, once inside, they would not have much impact.

So public administration is caught in a whirlwind of contradictions. It can be both clumsy but super-powerful. It threatens democracy but is too complacent. We expect it to be technically excellent, but we fear its power. Public administration is all of these things, and it rests in a swirl of paradoxes. At its core, it is about performance, politics, and accountability.

These three concepts, in turn, define the lasting themes of public administration. Together, they chart the basic themes for our exploration of *the politics of the administrative process*. We cannot have democracy without public administration, because without public administration we would have no way of bringing the decisions of democracy to life. The very power of public administration, however, presents enduring challenges to democracy.

The issues of the administrative state are eternal ones. Both the ancient Greeks and Romans worried about how to create enough administrative power to govern without making administrators so powerful that they could not be controlled. The famous **Magna Carta**, which provided the foundation for modern government in 1215, was an effort by English nobles to rein in the power of King John. The gradual evolution of European parliaments from the Middle Ages into the Renaissance was an effort to set the balance between popular rule and the power of kings. The American Revolution grew from a bold statement about the rights of people and the need to hold government's power accountable. Similar threads run through the role of governments in China. The terms of art have deep roots. In 1948, famed public administration scholar Dwight Waldo wrote *The Administrative State,* a dissertation turned into a book notable not only for laying the foundation for the modern study of the field but also because it built on a study of political philosophy.[6] The issues of the "deep state" are thus much more than a snapshot into fierce political battles. They grow from complex historical foundations with roots intertwined into puzzles of politics and philosophy. As debates about the human experience go, these are about as important as they come.

PUBLIC ADMINISTRATION AND COVID-19

These core issues—performance, politics, and accountability—have come alive in the ongoing battle against COVID-19, which not only was the biggest public administration crisis of the twenty-first century but also surfaced some of the biggest cross-pressures on the administrative system.

That battle began back in 2020, when a patient in Washington State who had just returned from a trip to Wuhan, China, was diagnosed with the mysterious new disease. The Centers for Disease Control and Prevention (CDC), the nation's premier public health organization, said, "It's unclear how easily this virus is spreading between people."[7] Scientists quickly answered that question. COVID-19 was shorthand for a virus first discovered a few weeks earlier in Wuhan, SARS-CoV-2, or "severe acute respiratory syndrome coronavirus 2." Since it broke out in December 2019, it became COVID-19. By early February 2020, the United States joined other countries in creating a travel ban to try to halt the spread of the disease. But COVID-19 outsmarted every effort to stop it. On March 13, President Donald Trump declared a national emergency, and governors began instituting stay-at-home orders.

COVID-19, it turned out, spread rapidly from person to person through airborne droplets. It ravaged whole families, like the Fuscos in New Jersey—seven family members caught the virus and four of them died.[8] In New York, hospitals were overwhelmed, and some had to place refrigerated trucks outside as makeshift morgues. The NCAA canceled March Madness, and many communities shut down restaurants, bars, and other places where people might meet and spread the virus. Colleges and universities shut down in-person classes, and most switched to online teaching. That, in fact, might well have been the biggest revolution in college teaching in centuries, and it happened in just two weeks.

The Federal Strategy

Government at all levels struggled to respond to the crisis. Just how tough should local governments be in shutting down? There was, after all, a difficult trade-off between local businesses as the engine of their economies and the need to stop the virus from spreading. And what about wearing masks? In February 2020, Surgeon General Jerome Adams tweeted that wearing masks wouldn't stop the virus. "Seriously people—STOP BUYING MASKS!" he tweeted. "They are NOT effective in preventing general public from catching #Coronavirus, but if healthcare providers can't get them to care for sick patients, it puts them and our communities at risk!" CDC echoed that advice for months. Except for Americans working in health care, the agency said that people should not make the effort to find and wear masks. "Facemasks may be in short supply and they should be saved for caregivers."[9]

Two months later, however, CDC switched its message and urged everyone over the age of two to wear a mask. The back-and-forth over masking undermined the agency's credibility, and the public wasn't quite sure what to do. The Trump administration, mindful of the approaching 2020 presidential election, downplayed the virus and deflected most of the responsibility for dealing with it to state and local governments. "People are tired of Covid," the president said in a call with his campaign staff. "I have the biggest rallies I've ever had. And we have Covid. People are saying: 'Whatever. Just leave us alone.' They're tired of it." He attacked the nation's chief infectious disease expert, Anthony Fauci, who headed that unit at the National Institutes of Health. Trump said, "People are tired of hearing Fauci and these idiots, all these idiots who got it wrong."[10]

Meanwhile, CDC botched its initial effort to provide tests for the virus. Rather than adopting the test kit that the World Health Organization had developed, CDC decided to create

its own. But the agency's kits were faulty and had to be recalled. That further undermined CDC's credibility, a shock to an agency widely viewed as the world's leading collection of public health experts. In 2022, CDC Director Rochelle P. Walensky frankly admitted CDC's problems. In fact, Walensky said, CDC behaved too much like an academic institution, churning out "data for publication" instead of "data for action." In fact, she said, "For 75 years, CDC and public health have been preparing for COVID-19, and in our big moment, our performance did not reliably meet expectations."[11] CDC's academic culture produced first-rate research over the years. But when it came to producing clear, consistent, plain-English guidance during the COVID outbreak, it failed the test.

New York Times writer German Lopez concluded that the root cause was "a reluctance to communicate the truth clearly and directly. The resulting lack of clarity made it harder for Americans to act on expert advice. But it also damaged public trust."[12] Trust in CDC dropped significantly.

COVID-19 in the States and Cities

That left most of the responsibility for fighting COVID-19 with the nation's state and local governments. Washington State took aggressive action to shut down the economy, as did New York State. But in Texas, Governor Greg Abbott took what the *Texas Tribune* called a "hands-off approach."[13] How the American people experienced COVID-19 depended largely on where they lived.

The same was true of the vaccines. Borrowing on the *Star Trek* franchise, the Trump administration launched "Operation Warp Speed" to produce an immunization for COVID-19. Experts warned that the process could take a long time. Peter Hoetz, dean at Baylor University's National School of Tropical Medicine, said, "A year to 18 months would be absolutely unprecedented."[14] After all, the previous record for creating a new vaccine—for mumps—was four years. But thanks to previous research funded by the U.S. National Institutes of Health, aggressive work by private vaccine manufacturers, and a large infusion of federal cash, the U.S. Food and Drug Administration approved the first vaccines in December 2020, just ten months after the outbreak of COVID in the United States.

Even though it was moving quickly, Trump was very unhappy with the speed of the operation. In an August 2020 tweet, he complained, "Obviously, they are hoping to delay the answer until after November 3rd. Must focus on speed, and saving lives!"[15] But the release of the vaccine in such a short period of time was a truly historic accomplishment—and a remarkable partnership between government private drug companies.

The distribution of the vaccines, along with the management of the testing process and collection of data on the spread of the disease, fell to the states. The states historically have had the primary public health responsibility, and they in turn have traditionally delegated much of the operational responsibility to county public health agencies, about three thousand in all. Some states set up mega-vaccination clinics. West Virginia initially relied on a network of private pharmacies.

As the vaccination campaign advanced, counties gradually decentralized the effort to smaller vaccination clinics and pharmacy chains like Walmart, CVS, and Walgreens. Some

states, like Vermont, pushed very hard to vaccinate their citizens. Others took a lighter approach. The result: the rate of individuals who were fully vaccinated ranged from more than two-thirds in states like Rhode Island (86 percent), Vermont (84 percent), and Massachusetts (82 percent) to around half in states like Mississippi (53 percent) and Alabama and Wyoming (tied with 52 percent).[16] In Vermont, the death rate was 118 per 100,000 persons. In Mississippi, it was nearly four times higher, at 436 per 100,000 persons.[17] The inescapable conclusion was this: the attack of the pandemic varied enormously around the country.[18]

COVID-19 and Public Administration

The battle against the disease-of-the-century was, at its core, a study in public administration. After all, the policy was clear: stop it, and protect people from its recurrence. Everything else hinged on public administration.

For example, CDC's struggles with masks and testing were examples of how to translate the findings of the agency's scientists into actions for the people. The actions of the state and local governments were attempts—often highly varied—to translate national policies and the supremely important assets of vaccines into results. These were questions of *performance.*

Then there were the ongoing battles between President Trump and some members of his administration, CDC scientists, and the work of some state and local governments both on elevating the importance of the virus and aggressively pursuing the strategies for containing it. These were questions of *politics.* Indeed, three British analysts concluded that "Trump's handling of the COVID-19 pandemic ensured that he lost, rather than was defeated in, the 2020 election."[19]

Finally, there was the ongoing battle between Trump and officials in his own administration, who he was convinced were deliberately stonewalling the approval and production of the vaccines to deny him an important win over COVID-19 before the 2020 presidential election. On the other hand, administration scientists feared that Trump's pressure might lead to the release of vaccines that had not been sufficiently tested. These were issues of *accountability* and, especially, the question of whether accountability depended on personal loyalty to the leader (an issue that bit Caligula) or on the scientific integrity of public administrators. We'll explore these tough issues later in the book.

Woven into the puzzles of performance, politics, and accountability were important questions of diversity, equity, and inclusion. In fact, COVID-19 interconnected with these three issues through the public administration of the COVID-19 response. In the first months of the pandemic, the virus hit Hispanics, Black people, and some Native American tribes the hardest. All of these groups suffered a higher death rate than white Americans. The reasons why are complex. In part, this is because these three groups have less access to quality health care than whites. They tended to work more in jobs that could not be accomplished remotely, ranging from bus drivers to restaurant servers. They more frequently depended on public transportation, where they were more exposed to the virus. In part, this is because state and local governments struggled in the outreach to these communities, especially for vaccines.[20] And the federal Indian Health Service did not provide all Native American tribes with the resources needed to ensure an adequate vaccination campaign.[21]

In short, if one wants to understand the nation's response to COVID-19, it's important to view it through the lens of public administration. In part, that's a story of coordination among government agencies. In part, it's the enduring tension in the United States of **federalism** and the relations among the federal, state, and local governments. And in part, it's the complexity of the relationships between government and the private and the nonprofit sectors of society, which often join to implement public programs. Without private drug manufacturers the country would not have had vaccines, and without private pharmacies the country would not have developed its effective vaccine distribution system.

There are important lessons to be learned here. No longer can any single government agency manage a program on which the people depend. That, rather, is the puzzle of coordination that lies at the heart of public administration. And if we want to understand the government's efforts in diversity, equity, and inclusion, we need to look at the lens of public administration through which these efforts flow.

THE FOUNDATIONS OF PUBLIC ADMINISTRATION

Public administration is important, therefore, because it's how we translate our ideals into results. Policymakers, of course, spend endless hours debating new ideas, battling over which ones to support, and enacting them into law. But amid all of these fights, one reality is most important: *public policies only gain their meaning in the ways public administrators implement them.*We might have the most ambitious plans in the world, but none matter—at all—unless our ambitions produce results.

Consider something as simple as turning on the water tap. All of us do it multiple times every day. We take it for granted that the water will be there when we want it and that it will be safe when we drink it. We rarely stop to think, when we travel around the United States, whether we take a chance when we drink from the faucet in a hotel room, even though we know it often tastes and smells different in different cities. Who has the best water? The experts at the Berkeley Springs International Water Tasting Competition in West Virginia hold a regular competition, what they call the "Olympics of Water," with judges swirling water in wine glasses and judging appearance, aroma, mouth feel, and aftertaste. The best municipal water in the world, they concluded, came from Montpelier, Ohio, in 2022, followed by the Metropolitan Water District of Southern California.[22] In Austin, Texas, however, residents faced notices to boil water three times from 2018 to 2022, in a stark reminder of how fragile the system we take for granted can be.

When Fiji Water launched an advertising campaign saying, "The label says Fiji because it's not bottled in Cleveland," the city decided it wasn't going to put up with that attack on its reputation. City officials ran tests on water from both sources and found that Fiji water had 6.3 micrograms of arsenic per liter. The level in Cleveland's water? Zero.[23] Bottled water is the most popular beverage in the United States, more than coffee, beer, and wine—and twice as popular as tap water.

There is perhaps nothing we take for granted more than the safety of the water we drink, whether it comes out of the tap from municipal water supplies or from a fancy bottle. That's

because public policy is clear: the water we drink ought to be pure and plentiful. That doesn't always turn out to be the case, however. These are among the many reasons why public administration is so important.

Is Private Administration Better Than Public?

What is better, tap water or water from one of the many private bottling companies? Sometimes that's a false choice. A close look at the labels of some bottled waters shows that it comes from the tap. But the basic choice—public versus private administration—points to one of the biggest debates about *public* administration. Government's critics often complain that government is inherently inefficient, and that the really important work ought to be given to private companies, where market competition will promote the most efficiency.

In a 2013 comment about government, Microsoft cofounder Bill Gates complained, "You don't run a business like this." Government, he said, was on "a non-optimal path," and that "a business that is maximizing its output would proceed along a different path."[24]

This is precisely what Michigan Governor Rich Snyder promised when he took office in 2010. Snyder was such a rising star that insiders openly discussed him as a possible vice presidential running mate in 2012 for Republican nominee Mitt Romney. By 2016, however, critics suggested his hashtag ought instead to be #onedonedude. Under Snyder's administration, the city of Flint switched its water supply from the city of Detroit to the Flint River. The change, his analysts concluded, would save taxpayers millions of dollars—and that was what "running government like a business would mean." Almost immediately, however, Flint residents began complaining that their water smelled, tasted, and looked funny. Even worse, nine people died from Legionnaires' disease, which investigators suspected was connected to the water switch. The lead poisoned thousands of children—for life. Tens of thousands of citizens resorted to bottled water for drinking, cooking, and even bathing. "We were an experiment in their philosophy of government," explained State Senate Minority Leader Jim Ananich, a Democrat and tough critic of Governor Snyder. "But unfortunately, it failed."[25]

The water from the Flint River, as it turned out, was far more corrosive than the water the city had been getting from Detroit. The Flint water ate away at the pipes carrying it, which in turn caused higher levels of lead and coliform bacteria. The state could have added anticorrosion chemicals to the water, but officials initially concluded it wasn't necessary. In the end, the plan to save taxpayers money ended up costing far more tax dollars and led to far greater misery than officials had ever imagined. In an early 2016 interview, a reporter speaking to Snyder noted that critics had "called this [his] Katrina," referring to the failed governmental response to the 2005 monster hurricane that devastated New Orleans and much of the Gulf Coast. He told a reporter, "It's a disaster."[26]

But Snyder then went on to criticize just about everyone. "This was a failure of government at all levels. Local, state, and federal officials—we all failed the families of Flint," he told a congressional hearing in Washington, D.C., on March 17, 2016. He blamed the state's Department of Environmental Quality and argued that "bureaucrats created a culture that valued technical competence over common sense—and the result was that lead was leaching into residents' water." Snyder then singled out the U.S. Environmental Protection Agency (EPA), stating that

"Inefficient, ineffective and unaccountable bureaucrats at the EPA allowed this disaster to continue unnecessarily." Flint resident Nakiya Wakes went to that hearing to try to get answers but left without the accountability she sought. But, at the least, she did get to take a shower in uncontaminated water—and she could drink water right out of the tap during her visit to Washington.[27]

Not only did the "running government like a business" strategy fail in this case, it also created a vast public health disaster for the city's residents. The crisis set off a wave of finger-pointing, with Democrats blaming a Republican governor and Republicans blaming the EPA and the Democrats in the Obama administration. The state government blamed local authorities, and all of them complained about the feds. Left with undrinkable water and poisoned children, the residents of Flint, 57 percent of whom were Black, wondered why their government had failed them.

Here was an echo of the big issues. Critics complained that the government had performed badly. Snyder countered that the problems were the product of other governmental bodies, which had proven unaccountable. And analysts across the board pointed to big political battles that shaped Flint's water system. The big themes of public administration—performance, politics, and accountability—are both universal and inescapable.

The capstone to the story underlines just how important these themes are. In 2020, tests showed that, in most of the city's homes, the lead level was far below safety standards for drinking water. But the city's residents lined up to get bottled water. They just didn't trust the city's water system, despite what the science said. As Jim Ananich, former leader of the Democrats in the state senate and a lifelong resident of Flint, put it, "The anger, the lack of trust, it's all justified." Following the initial crisis, charges of kickbacks in the repair process, and charges against state officials, residents simply didn't believe that the water was safe.[28] Many children had lead in their bodies that could not be removed. And many Flint residents simply no longer trusted their government.

This case reinforces the biggest challenge facing American government as it heads into the second quarter of the twenty-first century: the profound distrust Americans have for their political institutions. Two distinguished scholars of the political system, Thomas E. Mann and Norman J. Ornstein, contended not only that the system was broken but also that *It's Even Worse Than It Looks*, as the title of their 2012 book described it.[29] Presidential candidates have squabbled over who's to blame, and Congress has found itself tied in knots, unable to get much of anything done. But nothing is more fundamental to the distrust of government than the concern that too much of government just doesn't work well, that Americans believe they are overpaying for programs that underdeliver.

Bureaucracy is the centerpiece of that distrust. Nothing is more important to understanding the relationship between citizens and their government than understanding how government delivers what it promises. Nothing is more important to the future of American democracy than ensuring that programs work for citizens. At its very core, that is the story of the politics of the administrative process.

The Problem of Trust in Government

Although distrust hit a boiling point in the United States in recent decades, there is nothing really new about the problem. Our founders, after all, used distrust of King George III as the foundation for a revolution. Their aspirations for the new country could not have

been higher—and their view of the king could scarcely have been lower. The Declaration of Independence has soaring, inspirational words: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness."

Stop and think: the revolutionaries who founded our government wanted to protect their liberty—and they wanted a government that would protect their right to pursue happiness. When was the last time you thought about "happiness" and "government" in the same sentence? Then there's our basic framework, captured in the Constitution. It starts with a foundation in "We the People" and pledges justice, domestic tranquility, defense, the general welfare—and "the Blessings of Liberty to ourselves and our Posterity." Yet every recent presidential campaign has swirled around charges that the rich and powerful have captured the system, steering the government to enrich itself at the expense of we the people.

We're the "posterity," living and walking today, but we're often not feeling especially happy about our government, and the revolutionary DNA is still in our body politic. Nevertheless, we battle over whether to shrink government to cut taxes or to expand public programs. We deliberately vote opposing parties into office and then complain about gridlock. But that doesn't stop much of the rest of the world from admiring our commitment to freedom and the society our government has built. In fact, we are often a puzzle to people in other parts of the world, who admire our government and are amazed that we don't appreciate the system of government we have. Those who look at us carefully from a distance understand what we often overlook: both our progress and our battles flow from our uneasy relationship with government, from our simultaneous efforts to empower and control it, and from our ceaseless struggles to figure out how to secure justice, defense, and the general welfare while seeking tranquility and happiness. The politics of the administrative process is the struggle to balance our lofty expectations for government with our deep distrust of its power.

It's one thing to argue the case for justice, but it's another to make our state prisons secure without abusing inmates. It's one thing to argue for domestic tranquility, but it's another to determine how much force local police should use in stopping those they believe might have committed a crime. It's one thing to promise to defend the country from terrorists, but it's another to find just the right balance of weapons to protect the country without bankrupting it and undermining our freedoms. It's one thing to advance the general welfare, but it's quite another to debate which citizens whose homes are destroyed by a hurricane should get federal aid.

And how many times should we pay to rebuild the same property? One study found that we've paid to rebuild 2,109 properties at least ten times. One Louisiana home has gotten flood insurance payments forty times.[30] It's our answer to the basic administrative questions, on the front lines of government, that define what our government really is and what values we protect. No matter how bold or simple our policies, no matter how powerful our rhetoric, nothing in government has any meaning until we administer it.

Understanding the Public's Demands on Government

The COVID-19 and the Flint water crises both capture the essence of modern government: "we the people" identify problems that we expect the government will solve to promote the general

welfare. How does it do so? Government, on behalf of us all, sets goals and then creates complex organizations to meet those goals. The COVID-19 and Flint crises also capture a fundamental challenge: does government have what it takes to do what its citizens expect?

These challenges are huge, so the story can sometimes be depressing. But this book is built on optimism, out of an enduring belief that government can get smarter, serve citizens better, and support the fundamentals of American democracy on which the country depends. To a degree often not appreciated, government depends on *public administration* as the connection between those who make policy and the citizens who expect results. So let's return to the big themes in public administration, this time in more detail.

The first theme is *politics*. Many people often see administration as the business of the detail, which can't possibly be interesting. In reality, because no decision—especially no political decision—has any value except in the way it's implemented, public administration inevitably shapes and is shaped by politics. *Politics (and, therefore, public administration) is about the choices among values*, including which values get emphasis and which don't. That is the very fabric of public administration. Which neighborhoods get extra police protection? Who gets the speedy line through airport screening? When it snows, which highways are plowed first—and which see plows last? Each of these is a matter of detail richly wrapped in politics, and all administrative acts have political meaning. Indeed, the story of Flint's water crisis, at its core, is a political tale.

The second theme is *performance.* Public administration exists to get things done. How well does it work? How long does it take to respond to a house fire or report of a mugging? Do Social Security recipients get their checks on time and in the right amounts? Do state prisons keep prisoners inside, protecting citizens outside without abusing inmates inside? We expect public administration to work well, delivering effectiveness (high-quality goods and services) and efficiency (goods and services at the lowest cost to taxpayers).

The third theme is *accountability.* The prospect of a powerful bureaucracy out of control rightly terrifies citizens. The fear of a despotic government, after all, drove colonial Americans to revolt against the king. It brought down the Nixon administration in 1974. Worries that Obamacare would unleash a powerful, out-of-control bureaucracy helped propel Donald Trump into the White House in 2016; the failure to engage COVID-19 helped propel him out of it. Accountability is a *relationship*. It is about *answerability to whom, for what*. When we debate whether public administration is accountable, we are asking to whom individual administrators must answer (legislative bodies like the city council, state legislature, and congressional committees, as well as administrative superiors up the chain of command) and for what activities they must answer (including the value judgments they make and the performance they demonstrate).

These three themes shape the big debates about public administration, because they frame the fundamental debate about the *power* of government. What government does is about politics—and political decisions take their meaning in the ways public administrators carry them out. Government's power centers on public administration.

These themes also capture the inevitable trade-offs at the core of government power. Steps to increase accountability, including more rules to restrict administrators' power, can reduce efficiency by multiplying red tape. Streamlining government to make it more efficient can risk

making administrators less accountable. At every stage, these basic questions frame the size and role of government, and there's nothing more fundamental to politics than that.

Public administration is about everything that's important about government, and everything that's important about government touches on or flows through public administration. Those twists and turns are often hidden, and the issues can be subtle. But if we care about government—especially if we care about making government work better—we need to pay very careful attention to the politics of the administrative process. And that's the mission of this book.

It's not especially surprising to discover that officials use government power to advance political purposes—or that administrative actions like snow plowing have political consequences. This is an echo of a great scene in the movie *Casablanca*, which might well be (at least in my opinion) the best film of all time. Police Captain Louis Renault loves Casablanca's nightlife but the Nazis who occupy the city expect him to enforce public order, in the way they want it done. When the Nazis insist he crack down on his friend Rick's casino, Renault picks an ironic pretense. "I'm shocked, shocked to find that gambling is going on in here!" he tells everyone—just before his favorite roulette dealer hands him his own winnings. We should be no more shocked to discover that politics surrounds the exercise of public power through public administration.

HISTORICAL ROOTS

These tensions and trade-offs run throughout American history. We might not like politics or government much, but we like bureaucracy even less. Our founders rebelled against King George III, but the prime complaints were against his administrators. The Boston Tea Party was a public act of rebellion against the king's tax collectors. (For a small historical tidbit, check the modern heritage of colonial brewer Sam Adams, who was a ringleader of the Tea Party and whose name lives on today.) The Declaration of Independence specifically condemns King George III, saying, "He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people and eat out their substance."

Determining the role of administrators in the new constitutional system, however, proved difficult. No one wanted to recreate the tyranny against which the founders had rebelled, but a weak government risked inviting invasion and conquest. The founders famously and delicately balanced government's power through the legislative, judicial, and executive powers. They finessed the tough question about how to exercise those powers, especially the administrative powers. Article II of the Constitution vests "the executive power" in the president, but the definition of executive power is fuzzy and the founders carefully balanced the exercise of this power through the powers given to the other two branches. Trying to define executive power further risked fracturing the fragile coalition that brought the new country together. What they left out couldn't draw political fire, and they left to future leaders how to administer the nation they worked so hard to create.

There is profound irony here. The founders were determined to prevent a recurrence of the abuse of power that prompted the revolution, but when they had the chance to define the power of the new government, they sidestepped the question. From its first moments, American public

administration was grounded in politics—the political battle against the king, followed by the delicate political balance to get the Constitution ratified. The political issues about public administration colored George Washington's two presidential terms, as John Adams and other Federalists battled with Thomas Jefferson and his Democratic-Republican colleagues about how far the government's power should go. Defining the nature of executive power produced the first big divisions in the new nation, fueled a feud that cost the life of the former secretary of the Treasury in a duel, and fed the creation of political parties with very different views on how that power ought to be exercised.

The story is so gripping, in fact, that it led to a hit Broadway musical, *Hamilton.* And, in a further echo of the early battles, we are now facing a fundamental debate about whether the Constitution created a "unitary executive," where the president has sole power over the executive branch.[31] Trump and many of his supporters embraced this theory, in fact.[32] Madison's Constitution, of course, separated the federal government's powers and gave Congress the power to pass laws, so both the structure of the executive branch and the programs it administers. The fundamental question of who runs—and who should be accountable for—the executive branch still generates fundamental conflicts.

The struggles change with the times, but the basic issues are as old as the United States: creating an administration strong enough to do the public's work but accountable enough to prevent the tyranny that the nation's founders sought to guard against. That leads us to the more detailed examination of the puzzle of *accountability* in Chapter 2.

CASE 1.1: PREPARING FOR THE NEXT PANDEMIC

One of the most important but least-explored lessons of the COVID-19 pandemic is the central role that counties play in public health. They are the operational center of our war against the virus, but that role has often been hidden behind the veil of what scholars have called America's "forgotten governments."[33]

It's easy to think of well-known governors, from Maryland's Larry Hogan to Florida's Ron DeSantis. And mayors get tons of publicity beyond the cities they lead, like Eric Garcetti in Los Angeles and Eric Adams in New York City. It's hard, though, for even careful watchers of American government and politics to suggest the names of county officials who have any kind of profile beyond their jurisdiction's borders.

Despite the outsized public face of feds like Anthony Fauci, who guided the nation's response to COVID-19, the policy function of the Centers for Disease Control and Prevention, and the regulatory power of the Food and Drug Administration, public health has always primarily been a state function. The states delegate the frontline role to the counties, but that job has gotten little attention.

Peculiar Beasts

Part of the reason for that is that counties, by any measure, are peculiar animals. As of 2017 there were 3,031 of them, according to the most recent count by the Census Bureau.[34] Texas is the champ, with 254 counties. Delaware and Hawaii each have 3 counties. Georgia,

with about one-tenth the population of California, has almost three times as many counties. Connecticut is something of an outlier: since 1960 its counties have existed only as geographical regions, with no duties or functions.

New York is one city that encompasses five counties, matching its five boroughs. In the city of Los Angeles, mayors have complained about how weak their power is, while Los Angeles County is far larger and encompasses more than twice as many people: each of its five county supervisors represents more people than the U.S. senators of a dozen states.

And then there's Philadelphia, where the city and county boundaries are the same and the county has no government of its own. When the city brought back the COVID-19 mask mandate and then quickly reversed itself, it was Philadelphia acting as a county. And when New York City haggled over its own mask mandate, it was the city acting on behalf of all five counties.

Add one more ingredient to this bizarre mélange. California set a statewide mask mandate, but in practice it varied across the state—by county. In Orange County, always stubbornly conservative, there was some question about whether county officials ever enforced it.

It's not surprising, therefore, to discover that county boards and commissions have a partisan tilt and that this tilt has affected policy. In 1990, these governing bodies were about evenly balanced between Republicans and Democrats, but since then Republicans have gained an edge, moving the boards toward a more conservative stance particularly when it comes to taxation and spending. On the other hand, as Justin de Benedictis-Kessner of Boston University and Christopher Warshaw of George Washington University found, electing a Democrat to a county board not only tilts it more liberal but also boosts an average county's spending by 5 percent.[35]

These cross-pressures collided on the front lines of public health during the pandemic. Combine the important but often invisible role of public health in the United States, look at the counties where the frontline public health work happens, add the conservative-leaning (and often antimasking) decision-making by many county boards, and stir in the tremendous stress of navigating through the pandemic.

The result: in a CDC survey published in 2021 more than half of all public health workers reported symptoms of mental health conditions including depression, anxiety, and suicidal thoughts. One in eight local public health workers had received threats during the pandemic. One-fourth felt bullied or harassed.[36]

And in the first year and a half of the pandemic, half of the states reined in the power of their public health departments. One in five American counties lost the leader of their local public health agency.

The counties and their public health officials have been the foundation of the nation's response to COVID-19. They were the prime local data-gatherers and the principal feeders of the information to CDC. After the initial frantic scramble to set up vaccination clinics, the counties became the local coordinators for the shots, from giant Cook County encompassing Chicago to tiny Garfield County in Colorado.

When local politics got white-hot and pressures grew to avoid damaging local economies, however, elected officials pushed public health experts to the sidelines. That, in turn, weakened the nation's response to COVID-19. "It's been a bit of an uncoordinated disaster," explained Lori Tremmel Freeman, the CEO of the National Association of County and City Health Officials.[37] It was hard for public health officials to enforce the position many governors had staked out, which, she said, "basically villainizes" the local officials. And because many of the local public health experts had been frozen out of the policy discussions, she

explained, "it's really hard to be a partner in that work when you haven't been allowed into the group that informed the decision."

Century-Old Lessons

We know, of course, that future pandemics are sure to come our way. And from a scientific standpoint, at least, we know what should be done. As David M. Morens and Jeffrey K. Taubenberger wrote in the *American Journal of Public Health*, "We appear to stand at the threshold of discoveries that will one day save millions of lives if, or rather when, another highly fatal influenza pandemic emerges." In fact, they observed, "we have substantial knowledge about pandemic risk management, including standard public health measures to protect individuals, and more effective cooperation between medicine and public health."[38]

Morens and Taubenberger published that article in 2018, before COVID-19 started its awful campaign, and they based their analysis on lessons learned from the "mother of all pandemics" a century before. When the next pandemic did emerge, we began the grim march that so far has cost a million lives just in the United States, largely because we struggled to follow the lessons they outlined.

The U.S., in fact, has suffered far more from COVID-19 than many other countries with stronger national strategies, like Japan and South Korea, as well as three countries with federal systems like the American one: Australia, Canada, and Germany.

When the next pandemic strikes, we know what to do, both from the lessons of the 1918 outbreak and from the experiences of other countries with COVID-19. For America, the lessons begin with rediscovering the bedrock role of counties in public health—and providing them with air cover when the tough decisions needed to tamp down pandemics create the fierce blowback that has eroded our frontline defenses over the last two years. Given what's happened in the COVID-19 pandemic, it's hard to be optimistic. But America isn't incapable of learning from its mistakes. We don't, however, need to make learning so hard.

Questions to Consider

1. Who is the administrator of your county? What role did that official play during COVID-19?
2. What are the advantages of administrative decentralization, to the counties, for issues like COVID-19?
3. Do you think that the country would have been more successful in fighting COVID-19 if more of the responsibility for the battle would have been more centralized? Why or why not?

Note: This case originally appeared in *Governing* magazine (May 2022).

KEY CONCEPTS

accountability
Federalism
Magna Carta

FOR FURTHER READING

Howard, Philip K. *Not Accountable: Rethinking the Constitutionality of Public Employee Unions*. Garden City, N.Y.: Rodin Books.

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Skowronek, Stephen, John A. Dearborn, and Desmond King. *Phantoms of a Beleaguered Republic: The Deep State and The Unitary Executive*, rev. ed. New York: Oxford University Press, 2021

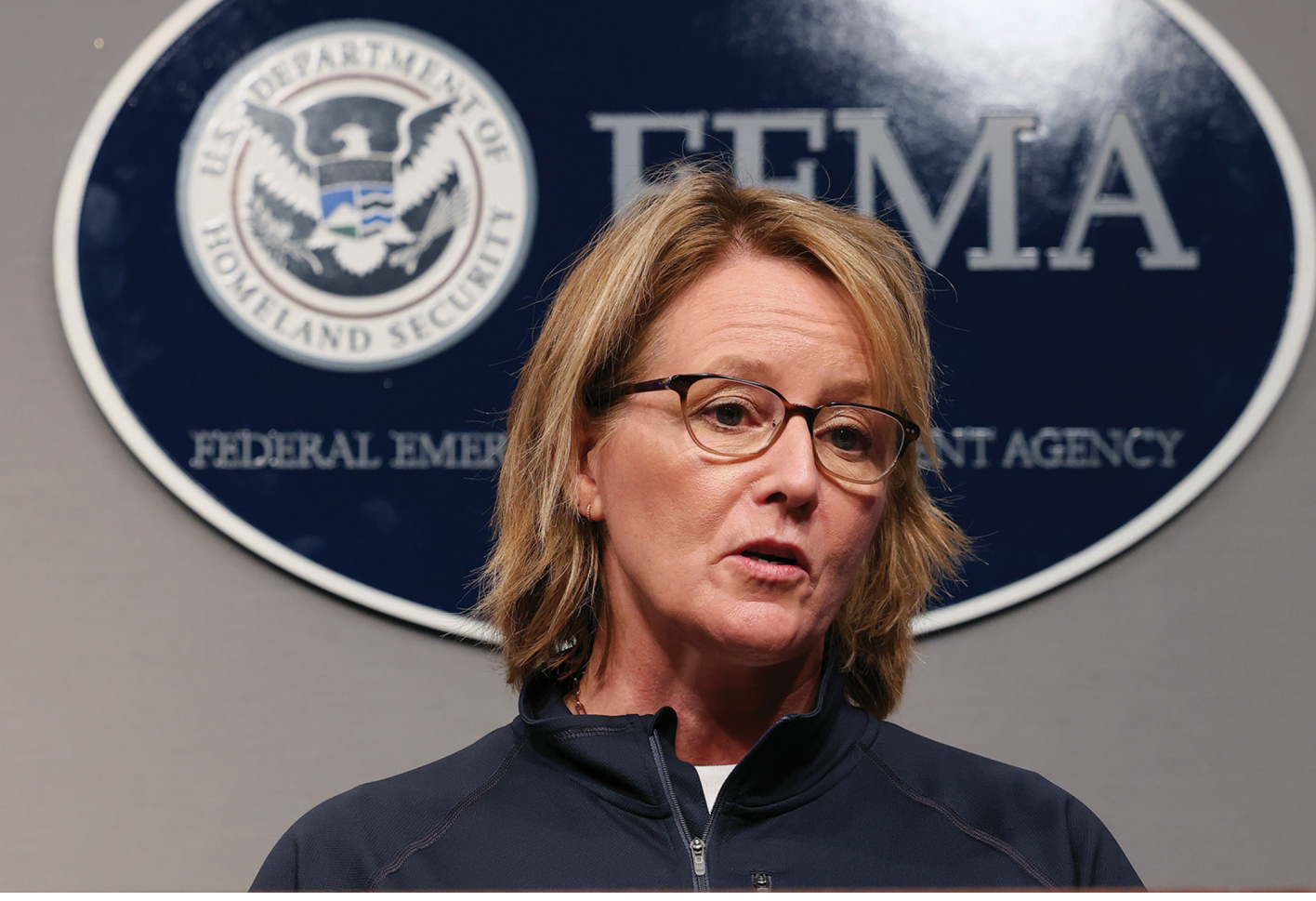
SUGGESTED WEBSITES

For cutting-edge insights into public administration, see **www.napawash.org.**

Daily stories and analysis of public administration issues at the federal level can be found at **www.govexec.com.**

For public administration at the state and local levels of government, see **www.governing.com.**

Thoughtful commentaries on public administration, especially at the state and local levels, can be found in a blog written by Katherine Barrett and Richard Greene, at **https://www.greenebarrett.com/home.**



As Ian savaged the Florida Gulf Coast in September 2022, FEMA's operations center carefully monitored the storm and engaged in regular press briefings.

Source: Kevin Dietsch/Staff via Getty Images

2 ACCOUNTABILITY

LEARNING OBJECTIVES

- Understand the meaning of accountability, and the various approaches for defining it
- Explore the historical development of accountability
- Define the elements of accountability
- Connect the approaches to accountability to administrative ethics and the public service

We use the word **accountability** a great deal. Amid massive school brawls in Baltimore, for example, parents demanded more accountability. The fighting in the schools, one parent said, was "out of control."[1]

However, we rarely stop to ask ourselves what it means, how it works, what we seek to control, or who controls whom. The issue has very deep historical roots. The word has its origins, as far back as the 1200s, in the notion that something ought to be capable of being counted. Medieval kings wanted to know what happened to their money. Accountability is even more important in a modern democracy. So let us examine these issues in turn: what it is, what we seek to accomplish, and how accountability works.

WHAT IS ACCOUNTABILITY?

Accountability is a relationship between people (who is accountable to whom?) about actions (what are they accountable for?). It is the foundation of bureaucracy in a democracy, because accountability depends on the ability of policymakers to *control* administrators' actions—and democracy depends on ensuring that administrators are held accountable. Control, in turn, can be either *positive* (requiring individuals to do something they ought to do) or *negative* (seeking to prevent individuals from doing something they should not do). Sins of omission as well as acts of commission are subject to investigation, criticism, instructions, sanctions, and, as we saw in Baltimore, tough media questions.

The principal focus of control is discovering bureaucratic errors and requiring the bureaucracies to correct them—a largely negative approach that tends to dominate for several reasons. First, it is easier to see—and to criticize—sins of commission, for they tend to be the stories that attract media attention; the more intense the news coverage, the stronger the policymakers' reaction is likely to be. In 2004, the abuse of Iraqi prisoners by a small group of American soldiers generated news stories for months, while the effective military service—and considerable suffering—of other American troops in Iraq received little attention in comparison. Second, a legislative body (such as Congress, a state legislature, or a city council) is naturally drawn more to shining a searchlight on particular problems. Figuring out how to solve them is always more difficult. When lead poisoning crippled the water system in Flint, Michigan, in 2015 and 2016, local and state investigators, along with federal regulators, worked to figure out the source of the problem and how to fix it.

Our exploration of accountability focuses on how policymakers seek to shape administrative behavior. It therefore focuses primarily on the negative aspects of external control: correcting bureaucratic behavior that policymakers believe is not in the public interest. However, we will also explore the complicated dynamics of how policy, often fuzzy, becomes translated into administrative action.

But do policymakers actually *want* to control administrators? Often they do not. If policymakers precisely specify policy goals, that would make them more directly responsible for the results. Policymakers often like to keep some distance between the decisions they make and the consequences that result. When problems occur—from accidents in the space program to the slow response time of fire trucks—reporters and top officials like to prowl for someone to blame. An unbroken chain from top policymakers to the front line would put the blame for problems directly into the laps of elected officials. Top officials certainly do not want to encourage problems, but they do not want the finger of blame pointing directly at them when problems inevitably occur. When the independent commission investigated the September 11, 2001, terrorist attacks, commission members discovered that the web of responsibility was so unclear that it was impossible to fix the blame. Despite heavy pressure to hold someone accountable for failures in intelligence and security, no one was fired. In 2005, when Hurricane Katrina produced the worst administrative failure in American history, only the administrator of the Federal Emergency Management Agency, Michael Brown, lost his job, despite manifest problems throughout the entire federal, state, and local policy systems. Despite his city's huge problems in responding to the storm, New Orleans Mayor Ray Nagin was reelected.

Avoiding the "Gotcha" of Accountability

Even if elected officials actually wanted a clear chain of accountability, it would create a "gotcha" effect: if administrators knew they would have to answer for every problem, they would make sure no one could see any problems they would have to answer for. Administrative problems rarely have simple solutions or leave a clear trail. How likely is it that some drugs will cause deformities in humans, or that landing an airplane in a thunderstorm is likely to be unsafe? How can a dangerous chemical dump best be cleaned? When a storm wobbles between snow, ice, and rain, when is it best to plow the roads, and how many chemicals should be applied to keep them clear (and what damage to the environment and to the roadways might the chemicals cause)? If we punish risk-taking, we are likely to get too-safe decisions that prevent government from doing its job. Excessive controls increase red tape and delay action. Finger-pointing leads to administrators digging deep foxholes instead of taking risks to achieve high performance.

So much energy can be spent attempting to control administrative activities—and backing up everything with reams of paper—that there may be little money or time left to do the job. Controls that are too tight, therefore, may actually *reduce* an administration's responsiveness to its public. Indeed, as British scholar Peter Self put it in 1972, "The tensions between the requirements of responsibility or 'accountability' and those of effective executive action can reasonably be described as *the* classic dilemma of public administration."[2] More recently, American Philip K. Howard wrote, "Governing sensibly is basically impossible in a bureaucratic and legal jungle. Common sense disappears into the quicksand of thick rulebooks, lengthy processes, and claimed rights."[3]

The problem at the core is this: policy can never cover every nook and cranny of the decisions that administrators will need to make. That means they inevitably have discretion over what not to do, what to do, and how best to do it. It is never possible to specify everything an administrator should do, for there are simply too many possibilities that come up along the way. Even if it were possible, it would be unwise to do so, because matching policy goals to the wide range of local conditions requires discretion. As administrators exercise discretion, they can run afoul of what policymakers wanted (or what they later discover they should have wanted). That creates political conflict—and the impetus for policymakers to intervene.

Discretion is inevitable in administrative action. It is desirable because we want experts to determine the best way to accomplish government's goals. Policymakers can never specify all of the steps a complex program requires, and frontline administrators inevitably have to use their judgment in making programs work. Even if legislators could specify all of the steps, the legislative process—from city councils to the halls of Congress—makes that impossible. Moreover, good administration requires adapting general policies to special circumstances. When first responders arrive on the scene of a serious traffic accident or a building collapse, what should they do first? How should firefighters approach a burning building, since every blaze is different? Good responses depend on good training and professional judgment. That always requires discretion. In fact, German Field Marshal Helmuth von Moltke famously wrote in 1871 that no military plan survives its first contact with the enemy.[4] Effective military strategy therefore requires substantial discretion for field commanders.

And that leads to the basic point. We want to give administrators enough room to make the right decisions, yet we want to hold them and their decisions accountable. Administrators must follow the law and meet the goals of public policy—at the same time.

Finding the right balance is an eternal challenge—and who makes the call? Who ultimately is accountable for what? This is an ancient puzzle. The Romans, in fact, worried about the problem. The poet Juvenal wondered, "*Quis custodiet ipsos custodes*?"—"Who is to watch the watchers?"[5] We all want accountability, but there is no absolute standard for what accountability is and who holds accountable those in charge of accountability. Accountability is a relationship, and like all relationships, it constantly changes—and is often full of tension.[6]

In the American constitutional system, these tensions are deeply rooted in the separation of powers structure invented by the founders. The bureaucracy, and the programs it administers, is the product of actions in the legislature (Congress, state legislatures, city councils, and county commissions). The legislature, in turn, delegates the responsibility for implementing the law to the executive branch, and the chief executive then delegates responsibility for carrying out the law to those in the bureaucracy. There are many variations in this basic principle, especially at the local level, where city managers report directly to city councils. This basic principle, however, structures the way we think about how accountability ought to work, the way that legislative policymakers tend to behave, and the constraints within which the executive branch operates. Chief executives—presidents, governors, and mayors—often bristle under these constraints and seek to expand their power in implementing the law. These tensions frame the politics of the administrative process and, as we will see in this chapter, the underlying problems that the search for accountability must solve.

These tensions lay at the very core of the battle against COVID-19. Americans looked to their government to solve the virus problem. Legislatures had created public health agencies, ranging from the Centers for Disease Control and Prevention (CDC) to local health authorities, and had given them responsibility for protecting the public. But the agencies involved in the process struggled both with the technical issues and with coordinating the efforts to beat back the virus. The COVID-19 issues we explored in Chapter 1 help illustrate the mega-issues of accountability in the American system.

Tracing Accountability to Individuals

The responsibility of individual administrators underlies the accountability debate. Can—should—must administrators follow the orders of top officials? Or: can—should—must they become "**whistleblowers**," divulging to the public activities they believe are wrong? On the one hand, the answer seems clear. The post–World War II war crimes trials established that following orders was no defense against administrators who committed heinous acts. It's clear that administrators must exercise their own judgment. On the other hand, if administrators each exercised their own, individual judgment as they went about their daily work, coordination would evaporate, the work wouldn't get done, and there would be little meaning to accountability.

Over the years, we've had a very mixed view of individuals who take it upon themselves to disclose activities they believe are wrong. In a fascinating background story, *Wall Street Journal* reporter Ben Zimmer explains that the phrase "blowing the whistle" seems to have entered American language in the early part of the twentieth century, when fans expected sports officials to blow their whistles to stop play. If a football player committed a penalty or a boxer had beaten his opponent, fans called on referees to blow the whistle. A few decades later, during the 1930s, a new meaning crept in. "Blowing the whistle" took on the meaning of someone revealing a dramatic secret, often breaking a code of silence to authorities as a "snitch" or a "rat." In the 1970s, consumer advocate Ralph Nader deliberately changed the meaning. He challenged those with important information on misconduct, in either private companies or the government, to come forward, even if that meant "blowing the whistle against the system."[7]

This raises a fundamental question about accountability. How much obedience do government officials owe to organizational superiors and elected officials—and how much discretion should officials exercise on their own? Because there is no firm answer to that question, there is no single, clear approach to accountability. Accountability is, at once, the bedrock on which administrative power in a democracy depends and a puzzle that requires endless work in search of solutions. It is also critical for connecting the great power of public administration to the important goals of **diversity, equity, and inclusion.**

APPROACHES TO ACCOUNTABILITY

In the United States, the effort to resolve this dilemma has focused on three big issues: the search for *legal boundaries* to constrain and channel administrative action, what we call the **rule of law**; the *political challenges* that have surfaced when administrative realities stretch those legal

boundaries; and *evolving policy problems* that increasingly confound the strategies and tactics to hold governmental power accountable and to ensure that administration serves the public interest.

Legal Boundaries

The problem of balancing governmental power with individual freedom, of course, is nothing new. When King John met England's nobles in Runnymede in 1215, they pledged him fealty—but only after the king agreed to limits on his power, which were captured in the Magna Carta, an important document that has since shaped the way we think about constraints on governmental power.[8] The debate has been endless, but two things are clear. One is that the uneasy pact forged at Runnymede helped establish the basis for the modern state. The other is that the rule of law emerged as the guide for setting the balance between governmental power and individual liberty. Kings (and later queens) found power useful to work their will. Citizens sometimes found the exercise of that power overbearing and expensive. Across a wide range of issues, King John and his successors agreed to accept limits on their power in law, even though the British monarchs claimed that their power flowed from divine right.

The *rule of law* thus became enshrined in English common law. In practice, the rule of the sword often pushed aside written agreements, and it took centuries for kings to realize that modern government required real accountability to the people. It is not surprising, therefore, that the story of the rule of law is the story of struggle and conflict.[9] The rule of law seeks to define and protect the basic rights of citizens against a too-powerful government, although claims of the Magna Carta's historical impact have been much exaggerated.[10] Its most important contribution, however, is this: it establishes the importance of having a system where everyone knows the rules and where the rules apply to everyone. Finally, the rule of law creates the foundation for administrative accountability. Since government in action is often the action of administrators, the rule of law provides the mechanism for constraining how administrators exercise their power. It tells them what they can do and what will happen to them if they step beyond their boundaries.[11]

This basic outline, of course, is far clearer in theory than it ever was in practice, but the rule of law provided at least a basic blueprint for the founders of the United States. In *Common Sense*, Thomas Paine wrote that "a government of our own is a natural right," with that right protected by the law, because

> in America the law is king. For as in absolute governments the king is law, so in free countries the law ought to be king; and there ought to be no other. But lest any ill use should afterwards arise, let the crown at the conclusion of the ceremony be demolished, and scattered among the people whose right it is. (1791)

The rule of law was central to the colonial founders as they tried to create their new government. Paine, and others, argued that citizens could establish that government because they would also bind its power.

The Role of Politics

The Articles of Confederation, the principles that guided the nation in the uneasy days between independence from the British crown and the adoption of the 1787 Constitution, was a clumsy first effort. But the Constitution that followed is a web of crosscutting restraints on government and the basic strategy for administrative accountability in American government: give the government power but set legal bounds to limit the dangers of its use. In the United States, the founders did not trust a single check. Multiple backstops, through separated institutions sharing authority, provided the extra insurance that the wary founders wanted. But this balance of powers was an unsteady deal. In the nation's first decades, officials created a national bank only to close it; they tried a second time and closed it again. Alexander Hamilton's powerful argument for government's help in promoting the economy repeatedly encountered a hurricane of citizen opposition.

The conflict became razor-sharp during the Progressive Era, toward the end of the nineteenth century. In tackling the problems of rising corporate power and the enormous potential of the industrial age, the **Progressives** sought a strong government that could restrain the power of big companies. But they faced a dilemma. They were convinced that stronger government, with new programs and stronger agencies, was necessary to drive the country forward and to constrain the giant private companies. They also knew that citizens would be nervous about a more powerful government, for the American Revolution against King George III's tyranny remained in the country's collective consciousness. How could the government grow without creating bureaucratic tyrants? For the Progressives, the answer lay in the rule of law. (It's important to note that, for the early Progressives, they focused on creating strategies to make government work better. Only in subsequent decades did "progressive" come to be associated with liberals and an expanding role for government.)

Before being elected president, Woodrow Wilson, then a political scientist at Princeton University, famously sketched a solution:

> If I see a murderous fellow sharpening a knife cleverly, I can borrow his way of sharpening the knife without borrowing his probable intention to commit murder with it; and so, if I see a monarchist dyed in the wool managing a public bureau well, I can learn his business methods without changing one of my republican spots.[12]

Wilson, along with his fellow Progressives, contended that government administrators could be empowered to do government's work without threatening individual rights because the rule of law would hold them accountable. Delegation of power to administrators from elected officials and hierarchical control through authority controlled the use of power within administrative agencies. Separating politics from administration, in what became known as the **politics-administration dichotomy**, was their strategy for an effective administrative state in a modern democracy: politicians would determine policy, and administrators would carry out that policy within the bounds set by elected officials.[13]

The Progressives' reliance on the rule of law was an elegant solution to a very tough problem. As they contemplated the twentieth century, they concluded that government would have

to become far stronger. Caught between the growing corporate power of the railroad barons and captains of industry and the limitless opportunities of industrial and territorial expansion, the reformers found in the rule of law a way to fit old theories to the new prospects. The rule-of-law formulation was not the last word for the Progressive movement, any more than it was for King John, but it provided a way to expand government in the twentieth century while holding it accountable.

Political Solutions

Of course, this approach was a bit too neat, and it soon crumbled as big problems fell into government's lap during the twentieth century. When the stock market crash shook the economy in 1929, Herbert Hoover and his advisers fumbled in their response. When Franklin D. Roosevelt launched the New Deal to attack these problems, critics complained it was a vast and unconstitutional overreach of power. Analysts replied that the rule of law provided a way to expand government's power while holding it accountable. But the theory inevitably collided with politics, as John M. Gaus reminded everyone: "A theory of public administration means in our time a theory of politics also."[14] Not only did the rule of law fit uneasily between governmental power and individual liberty; it rested on the inescapable reality, captured so well by Gaus, that administration has always been about politics. Political pressures pushed King John into putting his seal on the Magna Carta, and they have swirled around the rule of law since then.

In his 1936 essay "The Responsibility of Public Administration," Gaus noted that cracks had appeared in the rule of law from the earliest times. He described a replica of a Babylonian monolith, which displayed a carving of the Code of Hammurabi from 2000 B.C.E. Above the code is a relief of Hammurabi, the king of Babylon, receiving the command to establish a just law from the sun-god, Shamash. That, Gaus pointed out, established the "earliest conception of political responsibility": "Somewhere in the wisdom of God was to be found the absolute code, the fixed standard, which the ruler was to follow." However, he continued,

> the inadequacy of such a conception of responsibility is obvious. Responsibility is accountability, but who, under such conditions, could call power to account? Is God's will always so clear? Should not, then, His vicar interpret him? But can one be sure that the vicar is correct in his interpretation?[15]

That's the core conflict for administrative accountability and the rule of law. It's hard to beat an accountability system coming directly from God. But it's also impossible to translate, with complete transparency and total predictability, the rule of law directly into administrative action. As administrators interpret the rule of law to bring the law to life, the law slips in its hold on their rule. Gaus concluded in his essay that "neither the electorate nor the legislature can express in concrete detail the specific policy which it desires the administrative organization to enforce,"[16] so administrative discretion is the inevitable result of any administrative act. Indeed, the dilemma of building sufficient capacity to allow Congress to oversee executive branch actions is a puzzle that has echoed through the American Political Science Association lectures given in Gaus's name.[17]

What solution does Gaus offer? If forces external to the administrator cannot adequately shape the exercise of discretion, then democracy must necessarily rely on the administrator's professional norms. Gaus's argument set the stage for one of the most trenchant battles of public administration theory, the 1940 debate between Herman Finer and Carl J. Friedrich on whether professional training or external controls could best hold administrators accountable.[18] The battleground was the rule of law, as Finer made the case for the long tradition of administration held accountable by legal standards. But Friedrich echoed Gaus in making an inescapable point: if the law cannot fully control administrative action, then how can administrators be held accountable? For Gaus and Friedrich, the case for relying on professional norms was the inescapable conclusion. They argued that government had to rely on what it had at its disposal. That, in turn, not only makes public administration about politics, since it brings the value judgments of administrators squarely into the process; it also brings in the question of *whose* political values shape administrative action.

Evolving Policy Problems

Resorting to pragmatism beyond the law was perhaps inevitable, but it also set the stage for a fierce debate about administrative theory and practice. The United States relied on the rule of law to define and protect individual rights, but few rights have ever been absolute and the debate over how to shape them has always involved substantial cross-pressures. As governmental programs became more complex in the first half of the twentieth century, and especially as more public programs involved partnerships with the multiple levels of government and with the private sector, strains on the rule of law hit the breaking point. Gaus argued:

> In a state in which the powers of government intermesh widely with those of industry, commerce, and finance the traditional restraints upon the discretion of the administrator through making him responsible to the electorate, the courts, and the legislators are inadequate.[19]

Although Gaus wrote this in 1936, he could easily have been describing COVID-19 and a host of other crises with which public policymakers have struggled.

Those changes in the complexity of governmental programs accelerated during the 1930s. Roosevelt's New Deal programs, in particular, not only pushed more reliance onto the professional norms of administrators; they also brought more players from a wider variety of organizations into the pursuit of public policy. World War II spawned a massive network of private contractors to help the war effort, and that accelerated the trend. These steps, in turn, had two effects.

First, it became far more difficult to rely on any single rule-of-law standard to guide administrative action. There was a theoretical simplicity in the basic model—policymakers could track the exercise of discretion by administrators through the hierarchy and through the rule of law. With the creation of new, complex partnerships, in which each member operated inside its own traditions, it became much harder to define and enforce a single rule of law to guide those partnerships.

Second, different governments—and different government agencies—have very different cultures, and that makes it hard to ensure that any single set of professional norms can shape administrative behavior. The federal government has a different culture than its state and local partners, and the cultures of each government agency often have surprising variations. NASA, with its exotic spacecraft, is very different from the Transportation Security Agency, with its airport screeners. Professionals in the government's private and nonprofit partners often live by far different cultures that stretch far beyond the typical profit-making or public good motives presumed to be at the core of their missions. Community-based organizations are very different from international environmental protection organizations, and they differ tremendously from defense contractors and road builders. There have even been famous squabbles at the scene of local incidents, where police officers and firefighters have thrown punches over who was in control.

The rule of law, of course, was always livelier in theory than in practice. But the rise of such mixed federal-state-local-public-private actions further undermines the theory's applicability. Since no single model of accountability is likely to work, how can government be effective, efficient, responsive, and accountable in the world of twenty-first-century politics?

ELEMENTS OF ACCOUNTABILITY

When we look at how we hold government in check, we focus on three elements of accountability: fiscal, process, and program.[20] In **fiscal accountability**, we seek to ensure that agency officials spend money on the programs they are charged with managing—and only on those programs. This issue cuts both ways. On the one hand, we want to make sure that, in fact, the money is spent. A recurring complaint in the early 2000s was that the U.S. Department of Homeland Security was too slow in distributing funds to state and local governments for strengthening their security efforts. On the other hand, we want to make sure that the money is spent according to the law and is not wasted.

In 2011, for example, Fox News pundit Bill O'Reilly and then–*Daily Show* host Jon Stewart tangled over charges that the U.S. Department of Justice paid $16 for each muffin served at a Washington conference. A vast number of very senior Obama administration officials spent a huge amount of time tracking down the story, which turned out to be "mostly untrue," according to a later analysis by fact checkers. In reality, the $16 muffin included beverages, some fruit, a fee for the meeting space—and the muffin. Although the muffin was not cheap, it certainly was not a vastly overpriced baked good—and anyone who has ever arranged for an event in a large event space knows how the facility builds its costs into the charges for items ranging from coffee and soda to chips and sandwiches.[21] But the tale underlines the fact that there's nothing like a headline on wasted government money to fuel political conflict.

Process accountability is concerned with *how* agencies perform their tasks. While we often argue about the meaning of procedural fairness, government agencies regularly find themselves charged with unfair treatment. Massive problems in the 2000 presidential election focused national attention on the voting machines that many state and local governments used and whether problems with those machines had prevented some votes from being counted. Those

complaints about process led to a massive investment in new machinery for future elections. But that certainly did not prevent raucous battles over whether voters could trust the outcomes of the 2020 and 2022 elections.

Program accountability is the most difficult objective of control systems. Is a public program achieving its purpose, as defined in law? The U.S. Government Accountability Office (GAO), the investigative arm of Congress, has increasingly conducted program analyses to measure how well federal agencies answer this question. At the local, state, and federal levels, governments have developed sophisticated performance measurement systems to gauge how well programs meet their goals. These new systems increasingly try to put hard numbers on the tough question of whether programs actually work.

Everyone agrees that citizens deserve accountability for their hard-earned tax dollars. But we tend to measure accountability in these three different ways—sometimes relying more on one standard than another and rarely trying to reconcile all three into an overall picture of an agency's performance.

Holding Administration Accountable

The related problems of making administration work efficiently and ensuring that it is democratically accountable are deep and lasting. Administrators can follow the basic doctrine of accountability, through the hierarchical system of delegated authority. When that leaves gaps, they can use their best judgment to discover the intent of the policy, rely on their professional judgment to determine how best to achieve that intent, and consult with the controllers to resolve uncertainties.[22]

But this is certainly not a magic solution. Administrators may face multiple controllers, and these controllers may not always agree on an agency's priorities. Congress might pass a law that conflicts with the president's priorities. That can leave agency heads, appointed by the president, to choose what to obey. Appointees who choose the legislature's course could find themselves replaced by appointees more willing to follow the president's wishes. Indeed, during the Trump administration, critics pointed to big efforts to replace senior officials in the Department of Defense with administration loyalists. For the administration's fans, this was a way of making the Pentagon more accountable. For opponents, it was a worrisome sign that the administration was trying to change policy without changing the law.

Turning to Congress can often prove difficult and confusing, since there is no "Congress"—only congressional committees and their chairs who exercise great power in the sphere of their committees. Their fuzzy legislation, in fact, is often the source of uncertainty to begin with. At the state and local levels of government, of course, the same problems occur. And because the implementation of public policies often depends on coordinating federal, state, and local actions, these uncertainties often compound themselves throughout the system. They make it even harder to know what "accountability" means.

Administrators must solve these problems in a world full of uncertainty and political conflict. In doing so, they inevitably must rely heavily on their own internal compasses—their personal character, professional training, devotion to the public service, and respect for faithful execution of the law. When those with the responsibility of controlling the bureaucracy give

conflicting directions or confusing signals, administrators face conflicting loyalties. In the classic collection of options, they can choose **voice**: remaining in their positions and fighting for what they think is right, even if that risks dismissal. Or they can choose **exit**: resigning, possibly with a public attack on the controller whose mandate they condemn.[23] But administrators know that the exit option may put the policies they care about at even greater risk, for they can be replaced by people who will bend more easily to the very pressures they have battled against.

In fact, the idea of a conscience-driven exit from government is more popular in the press than in reality, because civil servants often have families to support, college tuition to pay, and relatively few available job options. In contrast, most high-level political appointees, cushioned by established reputations and extensive contacts outside government, can often exit to private-sector jobs at higher salaries. Furthermore, an attack by a resigning official is usually only a one-day media event, so anyone deciding to resign in protest must weigh the short-term political effect against the long-term personal impact.

In the end, the solution to the problem of accountability hinges on the balance between forces that come from outside administrators, including efforts by outside controllers, and forces that emerge from administrators themselves, including their character, background, and training. Theorists for generations have debated which forces are—and should be—more important. Should we assume that external controllers can never know enough about an administrator's actions, and that setting the administrator's internal compass is most important? Or should we insist on extensive external controls to compensate for the tendency of administrators sometimes to stray off course? Friedrich and Finer were unable to resolve this debate in the 1940s. Subsequent scholars and practitioners have not done any better. Accountability, in the final analysis, is a fine balance between external and internal controls. This balance, in turn, depends ultimately on ethical behavior by administrators.

GOVERNMENTAL POWER AND ADMINISTRATIVE ETHICS

Citizens and elected officials alike demand a higher standard of ethics than typically prevails in the private sector. Indeed, that ethical upgrade often comes as a shock for political appointees who come to government from the private sector.[24] As Calvin Mackenzie writes,

> At one time or another in their work lives, most business leaders have found jobs in their own companies for family members or friends, have entered into contracts with firms in which they had a financial interest, or have accepted substantial gifts from people with whom they regularly do business. . . . When public officials engage in similar activities, however, they break the law.[25]

The pursuit of high **ethical behavior** in government raises a different trade-off. On the one hand, we want skilled employees who can ensure that government's work is done well. In particular, we don't want to make the process of screening and hiring officials to be so burdensome, in the pursuit of high ethical standards, that we drive away good people. On the other hand, the public expects that those who exercise the public's trust will meet high standards and that, in particular, they will not use their power to line their own pockets, advantage their friends, or trade in the future on the relationships they developed in public service.

In his 2008 inaugural address, Philadelphia Mayor Michael A. Nutter emphatically made the point that this issue crosses all governmental boundaries. "There is nothing government does that cannot be done ethically and transparently," he said. His goal, he told Philadelphians, was "a government that serves all of us, not a few."[26] Nutter's speech underlined the recurring central themes of public administration: creating governmental power to serve citizens; holding that power accountable to elected officials and ultimately to voters; exercising power ethically, according to high standards of public service; and ensuring accountability through transparency.

The Public Service

In the end, the quality of government's work depends on the quality of the individuals recruited and retained in the public service, on their respect for bureaucratic accountability and ethical behavior, and especially on their commitment to the constitutional, democratic system. Instilling such values is a task for society. It depends on communication by family, schools, and peers. It also depends on creating a system that is accountable within our political system—especially since, in so many ways, the politics of the administrative process shapes the performance of American government.

Those capabilities encompass much more than they did in the past. Public administration is no longer primarily the direct execution of governmental programs. Much of it now is administration by proxy, as we will see in the next chapter, with complex partnerships among government agencies, for-profit companies, and nonprofit organizations responsible for the implementation of government programs. That, in turn, multiplies the problem of public ethics, since many private and nonprofit employees find themselves doing the public's work, during at least part of their time, but often without a clear signal that they are entering the public realm.

An ethical government begins with ethical public servants—public servants devoted to the fundamental challenge of helping "to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, and secure the blessings of liberty to ourselves and our posterity."[27] Encouraged by such possibilities, they will recognize that the public service, as President George H. W. Bush said, is "the highest and noblest calling."[28] In running for the presidency in 2008, Barack Obama was more direct. His goal, he said, was "to make government and public service cool again."[29] Few vocations offer greater promise for improving the lives of so many of the world's citizens. Charting the course is the fundamental challenge of this book.

CASE 2.1: THE STORMS THAT TEST LOCAL GOVERNMENT

With Hurricane Ian barreling down on Florida in late September 2022, Mark and Rhonda Wilkerson decided to hunker down and ride out the storm. But unlike thousands of other residents of the Fort Myers area, their home didn't even lose a shingle.

They had moved into Babcock Ranch, a planned community where the development included a host of strategies to minimize damage in a major storm. Utilities are underground. Power is solar. Retaining ponds collect stormwater runoff. The latest building codes guide construction. Because of the developer's steps, the community lost but a traffic light, a few palm trees, and a couple of street signs. The town's residents told *60 Minutes* that none of them lost power.[30]

But in Fort Myers itself and other Lee County communities, cars ended up in the water and boats sat on city streets, sometimes piled on top of each other. Some trailer parks were completely wiped out. James Burdett, who had moved to the area from Virginia, surveyed the damage from his leather chair. Next to the chair, he had his remote control, but the rest of his home had been destroyed. "I literally watched my house disappear with everything in it, right before my eyes," he said.[31] All told, forty-five deaths in Lee County were attributed to Ian's Category 4 devastation.

The contrast between the experiences of the Wilkersons and Burdett could scarcely have been greater. And the huge difference underlines two critical points: with climate change threatening even more extreme weather events, the impact will vary enormously across the country. And the burden for preparing for, managing, and responding will rest almost entirely on local governments.

It's not only storms. Coalinga, California, for example, is projected to run out of its water allocation from the San Luis Reservoir well before the end of the year. The city's only option will be to purchase water from other suppliers, including farmers and irrigation districts. But Sean Brewer, the assistant city manager, reported that the cost of water might jump from $190 per acre-foot to $2,500. Just to buy enough water to get to New Year's might cost the city 25 percent of its annual budget.

Meanwhile, the state's fire-suppression expenditures jumped to $1.2 billion in the most recent year, almost double the year before. Airborne tankers and ground-based crews are spending far more time putting out historically large fires—fires whose aftermath will mostly be left for local communities to cope with.

Enormous Inequalities

When disasters strike, the Federal Emergency Management Agency (FEMA) typically comes riding to the rescue and, despite partisan haggling, Congress has usually appropriated enough money to help local communities begin their recovery from climate-induced disasters. No amount of money, however, can begin to compensate those communities for the pain of putting themselves back together. For those who do get federal money, FEMA's grants typically are capped at far less than the cost of temporary shelter, let alone rebuilding. And congressional appropriations for disaster relief are becoming more contentious, so there's no guarantee that the money will continue to flow.

Local governments increasingly bear most of the burden of dealing with these disasters, whether from drought or flooding, tornadoes or earthquakes. But lurking in the background is another subtle but important point: for local communities, the challenge not only is recovering from weather disasters; it's also dealing with the often-enormous inequalities that the storms tend to produce.

Even before Ian's wrathful run through Florida, researchers were pointing to how hurricanes tended to harm vulnerable communities the most. When Hurricane Maria struck Puerto Rico in 2017, the highest death rates occurred in the lowest-income areas. The same

was true for Hurricane Katrina's Gulf Coast rampage in 2015. So when Ian hit Florida, it was no surprise that lower-income neighborhoodsgot hit hardest.

The larger impact of big storms on lower-income areas collides with the prescription that many economists make for reducing storm damage: insurance. Insurers can price the risks that storm-prone areas face (and, for that matter, fire- and drought-prone areas) into the premiums they charge. That can help homeowners rebuild and, more importantly, create incentives for individuals to stay away from areas where they are most at risk.

This is an elegant solution. But it doesn't work. Lower-income individuals tend to move where land is cheapest, and that's often in the most risk-prone neighborhoods. In New Orleans, for example, wealthier individuals gravitated to neighborhoods on higher ground. What was left for poorer families, like the Lower Ninth Ward that Katrina devastated, tended to be on lower ground, and the residents paid for it. Climate disasters hit the poor hardest because they tend to be more likely to live in the bull's-eye.

And relatively few of these homeowners have flood insurance—just 17 percent in the Texas area hit by Hurricane Harvey in 2017, and most of them were wealthier homeowners. In Florida, Ian's initial strike landed in areas where 24 percent of homes had flood insurance. Farther inland, the percentage dropped to about 2 to 4 percent.

Couple that with the fact that the area already ranked high in income inequality—the most unequal area in the state with the nation's second-highest level of inequality. And compare that with the fact that the National Flood Insurance Program paid sixteen times to rebuild a Houston home over an eighteen-year period—a million dollars of outlays for a $120,000 home. A Baton Rouge home flooded forty times, while another property north of St. Louis produced thirty-four claims.

So the flood-insurance program has often failed in creating incentives to encourage people to stay away from flood-prone areas. Insurance is so expensive that many homeowners don't buy it, so many who need flood insurance the most don't have it. For some other homeowners, the program has been a waste, funding rebuilding in storm-prone areas instead of encouraging them to move to higher ground.

Building for Wind and Water

That takes us back to the Wilkersons and their neighbors in Babcock Ranch. The key to dealing with hurricane damage is, first, not to build or live where the threat is the highest, and then to be sure that the homes that *are* built are most able to resist a megastorm. The key to Babcock Ranch's success was that its developers used building strategies designed to fight off the winds and to protect from the water.

The same was true of nearby Punta Gorda, where the city created one of the toughest building codes in Florida. When Hurricane Charley churned through in 2004, it cleared out many of the older homes. The properties reconstructed afterward had to meet the new codes. As Joe Schortz, who owns a local building company, said after Ian, "Everything with a 2007 code and beyond pretty much was fine."[32]

It helps to more securely tie down the roof to the walls and connect the walls to the foundation. It helps to elevate homes above the high-water mark. Communities that have put in place tough building codes have weathered storms far better. Some of the steps are expensive, but they are vastly cheaper than having to rebuild a home—let alone rebuild it again and again.

The surest way to mitigate the ravages of climate change is to act locally, and to act in ways that pay attention in particular to the needs of lower-income individuals who often

suffer most. That can mean strong building codes as well as tough zoning standards that can make it harder to make vulnerable areas a magnet for poorer residents—and creating new zoning standards to make housing more affordable elsewhere. But resilience is the surest way to avoid driving the wedge of inequality even deeper.

"This isn't just a Florida issue," explained Nicholas Rajkovich, associate professor at the University of Buffalo's School of Architecture and Planning. "This is a national issue. Thinking about a national strategy for resilience is really important for this country to be able to adapt to climate change."[33] And that national issue is, at its roots, a menu for local action.

Questions to Consider

1. Consider the strategies that helped the people of Babcock Ranch avoid serious damage during the hurricane. Which ones are—or could be—the result of public policy and public administration?
2. Should local zoning ordinances be changed to reduce storm damage?
3. If yes, should local governments be forced to do so? By whom? Or, if not, what alternative would you recommend?

Note: This case originally appeared in *Governing* magazine (October 2022).

CASE 2.2: DO SEWERS HOLD THE CLUES TO POLIO?

New York state officials struggled in mid-summer to get to the bottom of a polio outbreak. They used a time-tested approach that has gained new attention in monitoring the spread of COVID-19: collecting and analyzing samples of water containing human waste from sewage systems.

Wastewater surveillance has a long history in the battle against infectious diseases. Most recently, it has been put to work in at least eight states in tracking an outbreak of monkeypox. But it carries risks of its own, including the potential for undermining privacy and for being put to use for purposes outside of public health, such as in law enforcement—uses that, if taken too far, could further erode Americans' trust in government.

Certainly, there's no denying wastewater surveillance's value as a public health tool. Back in July, doctors in Rockland County, N.Y., diagnosed a twenty-year-old man with the first U.S. case of polio in almost a decade. Public health officials wanted to get ahead of the disease so they could roll out immunizations. In the disease's past, by the time they saw a case it was too late to protect the patient and, probably, too late to prevent polio's spread. So state officials went looking for signs of the disease in neighboring communities—in sewage water.

They found that polio wasn't a problem they could simply flush away. Along with Rockland County, wastewater tests found the disease in at least two other counties as well as in New York City, prompting Governor Kathy Hochul to declare a public health emergency and take steps to ramp up vaccinations.

Punching Back against COVID-19

During the COVID-19 pandemic, a major and ongoing problem had been tracking the spread of the disease and its variants. Counties were the basic building blocks of the data system, but data collection was often weak, particularly in states where top officials made COVID-19 into a political wedge. Moreover, across the country, not all the counties collected COVID-19 data the same way. It was hard punching back against the disease in the dark.

Researchers at the University of California, San Diego, discovered they could detect COVID-19's telltale RNA in wastewater throughout the campus. They collected the data and published it on a digital dashboard.[34] On a summer afternoon in 2020, the research team detected a single positive case. Over the weekend, they tested more than 650 people living and working in the dorm and helped stop one COVID-19 outbreak in its tracks.

The success of the UC San Diego experiment led CDC to create a new National Wastewater Surveillance System. The system funded the development of wastewater systems throughout the country, covering health departments in more than forty jurisdictions that serve more than 16 percent of the nation's population.[35] CDC estimated that at least 80 percent of the population could eventually be served by monitoring the poop and pee that flows through the nation's sewers. Other researchers picked up the theme; the University of California, Merced, created a dashboard, aptly called COVIDPoops19, that now tracks wastewater monitoring efforts in seventy countries.[36]

COVID-19, monkeypox, and polio show what wastewater monitoring can accomplish. But as Vladimir Putin's bizarre on-the-road practice shows, it can also raise big questions. Putin is apparently so concerned about what he might leave behind—and what it might tell adversaries about his health—that his bodyguards collect his excrement while he's traveling, put it into distinctive packets, pack them within a special briefcase, and take it home.

Presumably, few Americans would go to the extreme of creating a personal poop patrol. But wastewater monitoring raises big questions of privacy that go far beyond what's behind a closed door. It can, as we have seen, detect COVID-19, monkeypox, and polio. But it can also detect pesticides and pharmaceuticals—including illegal ones. The worry is that that could, in turn, bring extra police attention to individual neighborhoods.

Of course, monitoring sewage can't pinpoint anyone's individual waste (unless the system is as elaborate as Putin's). But the system can pinpoint issues in relatively small neighborhoods. The same science that made it possible for UC San Diego scientists to zero in on a particular dorm also would make it possible for local police to focus on a few blocks where the sewers suggest the use of cocaine or the manufacture of fentanyl.

The Issue of Gunshot Detection

Fancy technology pinpointing individual neighborhoods has already eroded trust. While Chicago's inspector general found that police responses to the ShotSpotter gunshot detection system "rarely produce evidence of a gun-related crime, rarely give rise to investigatory stops, and even less frequently lead to the recovery of gun crime–related evidence during an investigatory stop," the MacArthur Justice Center documented that the Chicago system had been "deployed overwhelmingly in Black and Latinx neighborhoods," exacerbating "distrust and fear from residents."[37]

Wastewater monitoring risks the same problems, especially as the technique gets more sophisticated and allows investigators to zero in on particular communities. It's possible

to imagine, in fact, the days not too far ahead that would allow investigators to get a search warrant to check on the waste flowing from a single building they find suspicious.

At this point, the potential for the use of sewage monitoring outside of the realm of public health might be merely theoretical—at least in this country. Yet its value for tracking and fighting disease is so huge that its use for that purpose will likely continue to grow. With a monitoring system that uses a constant (in fact, inevitable) supply of raw materials and that can identify neighborhoods where diseases are emerging before many cases appear, it's easy to imagine wastewater analysis becoming a frontline tool in public health—what's already being called "sewage epidemiology."

But the risks are genuine. For a long time in American federalism, the adage has been that trust in government is greater the closer government gets to the people. Sewage monitoring is most useful the closer the scientists get to the people. That puts a whole new twist on the *eeewww* reaction that the mere mention of government evokes in so many Americans these days, pushing their concerns to those little rooms where people value their privacy the most. That might not be the prescription for building more trust.

Questions to Consider

1. Many local governments began relying more on sewage monitoring as a result of COVID-19, because direct data gathering became too expensive, too politically explosive, or both. Does the switch to indirect monitoring of wastewater make sense to you?
2. What problems can you see in using such indirect monitoring?
3. Do you see possible risks of inequality in how systems like wastewater monitoring and gunshot detection are run?

Note: This case originally appeared in *Governing* magazine (September 2022).

CASE 2.3: GOOGLE EARTH VERSUS PRIVACY IN RIVERHEAD, NEW YORK

In Riverhead, New York, town officials launched an aggressive campaign to find backyard swimming pools whose owners hadn't obtained the required permits to build them. As the town's chief building inspector, Leroy Barnes Jr., explained, "It's a safety issue more than anything else." Faulty plumbing could cause water damage to neighboring properties. If electrical wiring for lights or filters were installed improperly, someone could be electrocuted. In addition, the town's ordinance required pool owners to install a fence around the pool to prevent small children from wandering in and accidentally drowning. The campaign, in this small town near the tip of Long Island, found 250 pools that had been constructed but whose owners had not received the requisite permits. In addition, the aggressive inspection program produced $75,000 in fees from violators.[1]

Barnes, however, quickly found himself under fierce attack from the American Civil Liberties Union (ACLU) and scores of angry townspeople. It wasn't because of the campaign to find violators, at least on the surface. Rather, it was because Barnes had cleverly used the Google Earth search program to find the pools. He used the program's online satellite feature to find pools, identify the address, check the address against the town's database

of permits, and find pools that did not have the permits required by law. Town officials wondered what all the fuss was about. After all, Google Earth is available to any user, on any computer. It doesn't show anything that anyone anywhere can't see. Why can't the town use publicly available information to enforce its laws?

"Technically it may be lawful," replied Donna Lieberman of New York's ACLU, "but in the gut it does not feel like a free society kind of operation."[2] Some local residents complained that it felt creepy to know that the town was peeking into their lives via satellite. Critics pointed out that the Fourth Amendment to the Constitution prevents government officials from conducting unlawful searches. Using remote satellites without a search warrant crossed the line, they argued.

Just how far should government go in combining emerging technology with its vast power? In Greece, as well as New York, government officials are using Google Earth to track down pools without permits in order to collect fines. Enterprising private citizens are also making innovative use of satellite surveillance. Thieves in the United Kingdom are using the technology to identify backyard ponds stocked with exotic fish, which they steal and sell for large sums. A private company is already using private satellites to photograph the parking lots of Walmart stores. Counting the cars tells analysts which communities have the fastest-growing economies. If private companies are doing it, should government be restrained from using the same readily available technology to enforce its laws?

It's easy to see even bigger issues in the future. If governments pass aggressive energy-saving laws to restrict backyard barbeques (too many hydrocarbons being released) and to require better insulation of homes (to prevent energy from being wasted), should the government be able to use remote-sensing devices to detect heat emissions? Private companies are now trying to sell special vans to local police that provide a comprehensive scan of every passing car. The scan can detect illegal items onboard without a search warrant. Should local police buy these disguised vans to locate contraband and possible terrorist threats—and deploy them without search warrants? What about antiterrorism forces in the Federal Bureau of Investigation? The federal government's Transportation Security Administration is deploying new scanners that can look through an airplane passenger's clothing to see, well, just about everything. Passengers boarding planes know that they are subject to searches, although there's always a debate about just how intrusive those searches ought to be. But should drivers steering their cars past a van parked on the side of the road have any expectation of privacy, even if they are carrying something illegal under the seat or in the trunk?

Public complaints in Riverhead forced town officials to end the Google Earth project, even though the information was available to everyone on the web and it was used to find people who had broken local ordinances. But it raised very tough questions about how government officials should exercise discretion in doing their jobs—and how they should wield their power.

Questions to Consider

1. Do you think there was anything wrong with the town's decision to use Google Earth to detect individuals who had broken local laws by installing pools without obtaining the required permits?
2. How should local officials, like Leroy Barnes, be held accountable for their actions?
3. Sam Adams, in addition to brewing beer, also helped lead the revolt that culminated in the Boston Tea Party, during which colonists tossed tea into Boston Harbor to protest the power of the English king. What do you think he and his fellow revolutionaries would think about the use of Google Earth to detect lawbreakers?

Notes

1. Russell Nichols, "Is Google Earth Eyeing Your Pool?" *Government Technology* (August 17, 2010), http://www.govtech.com/policy-management/Is-Google-Earth-Eyeing-Your-Pool.html?topic=117688#.

2. Ibid.

KEY CONCEPTS

accountability
diversity, equity, and inclusion
ethical behavior
exit
fiscal accountability
politics-administration dichotomy
process accountability
program accountability
Progressives
rule of law
voice
whistleblowers

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SUGGESTED WEBSITES

Extensive discussion on federal ethics laws and policies can be found on the website of the U.S. Office of Government Ethics, **www.oge.gov.**

More broadly, the Council on Governmental Ethics Laws, **www.cogel.org**, tracks policies on ethics. In addition, many state and local governments have their own sites—which search engines can readily locate—detailing laws and regulations on ethics.

PART I

THE JOB OF GOVERNMENT

Public administration does not exist as an abstract concept. Its real meaning comes from the important but difficult job of translating ambitious goals into practical results. At different levels of government, however, the process can look very different, ranging from the distant and hush-hush world of the Central Intelligence Agency to the frontline work of police officers and firefighters we see every day.

So if we want to understand what public administration really is, we must begin by looking at what public administrators actually do. Even more fundamentally, we must understand the connections between citizens, the officials they elect, and the administrators they empower—and how all of this combines to shape what government actually does. That, in turn, is the key for holding public administrators accountable for *what* they do and *how* they do it.

Government employees, like this U.S. Postal Service worker in Orlando, have invested far more energy in providing people-centered public service.

Source: Jeff Greenberg via Getty Images

3 WHAT GOVERNMENT DOES—AND HOW IT DOES IT

LEARNING OBJECTIVES

- Understand where government has grown in recent years—and where it hasn't
- Examine the variations in government's programs and tools to accomplish its objectives
- Explore how these variations affect the study and practice of public administration
- Understand the implications of government's tools for the overall approach to public administration

One very early morning not long ago, I struggled out of bed for an early-morning trip to Washington, D.C., from the Philadelphia apartment where we were then living. I rode an elevator down to the lobby and caught a trolley to the 30th Street train station. I emerged from the underground tunnel at the station just as the sun was coming up and just in time to scoot across the street as the "Don't Walk" signal began flashing. As I waited for the Amtrak train, the barking of a bomb-sniffing dog echoed throughout the concourse. The dog had not spotted a suspicious package—he was a pup in training and was struggling to concentrate on his new job instead of all the fascinating people milling around the platforms and the breakfast snacks just out of his paw's reach. The train, fortunately, was on time, and it was a pretty ride, with the rising sun shining on the Chesapeake Bay, before rolling into Union Station at the foot of Capitol Hill. A quick trip on Washington's Metro subway got me to a meeting in a nearby federal office building.

This tale, of course, is about more than the trip of a sometime road warrior and textbook author. It is also a map of government—and government administration—in action. The Philadelphia elevator had an inspection sticker certifying that the Pennsylvania Department of Labor and Industry had found the elevator safe, for which I was grateful (since it would have been a fourteen-flight fall down the shaft to the basement). The inspection might have been performed by a private company licensed by the state, but the state government stood behind the certificate pasted on the elevator's wall. The Southeastern Pennsylvania Transportation Authority (SEPTA), a regional organization stretching across local governments and three states, ran the trolley. The city of Philadelphia's Traffic Engineering Division managed the "Walk/Don't Walk" signal. The excited puppy was an employee of Amtrak's own police department, and he had the vest to prove it. Amtrak is really the National Railroad Passenger Corporation, a quasi-governmental corporation that operates like a private company but is controlled by government officials and subsidized by public money. Maryland's Chesapeake Bay is more scenic because of the efforts of Pennsylvania, Virginia, and Maryland, in concert with the U.S. Environmental Protection Agency, to ensure the waterway is clean. Like SEPTA, Washington's Metro system is a regional transportation authority, involving two states and the District of Columbia. Its stations contain hidden security devices to detect terrorist threats, with security provided by a complicated network of federal, state, regional, and local law enforcement agencies. Before I had fully awakened, I had encountered the vast reach of public administration.

Consider the way you started your day today. The alarm on your smartphone might have awakened you, and that smartphone is subject to a large number of government regulations, especially

to prevent interference with the electronic signals that flood our environment. A trip to the toilet means an encounter with local plumbing regulations, while brushing your teeth connected you with the federal Food and Drug Administration, which regulates the content—and claims—of toothpaste. Your coffeemaker connects with a government-regulated electric grid, and the pod you put into the coffeemaker had to meet federal standards. There was government-regulated labeling on the cream you used in the coffee and, if you grabbed a breakfast bar, its contents had to comply with federal regulations. Your bed, of course, was regulated to prevent it from igniting, and your pillow probably carried, at least once upon a time, the "do not remove under penalty of law" tag about its contents. (You can remove the tag, but the store can't remove it before you have a chance to see it.) Your local government set standards to make sure that the floor of your bedroom didn't collapse under the weight of its contents. Your day was only minutes old, and you had already encountered a large number of government agencies without even opening your front door (which, by the way, was probably certified to meet fire protection standards).

None of us can start our days without bumping into government. The water we drink, the cars we drive, the bicycles we pedal, the streets we walk—all are the products of government bureaucracy in action. We take it all for granted, except when we see a problem we want to have solved and, when that happens, we expect the highest levels of service. Indeed, over the years, public administration's role in society has become so pervasive that we often speak of the rise of the **administrative state**.[1] In fact, political scientist Dwight Waldo wrote a doctoral dissertation by this title and published it in 1948. Since then, bureaucratic power has been the focus of huge debate. Some critics have condemned the growth of government and its power. More sympathetic observers have seen it as part of an inevitable—even desirable—reaction to the growing complexity of social problems and Americans' demands to solve them. Some fear that the growth of government has empowered nameless, faceless bureaucrats with greater control over our lives. Others point to government's help in solving big problems. Some plead for making government work more like a business. Others argue that government and business are so fundamentally different that corporations can't teach public organizations very much. But one thing seems certain: when trouble strikes, whether it's a giant superstorm that savages the East Coast, or a tornado that pulverizes an Oklahoma city, or a terrorist attack in San Bernardino, or a water crisis in Flint, Americans look to their government for help.

These debates have produced a wide array of approaches to the study of public administration, but one issue dominates: **administrative responsibility**. Americans expect—they insist—that the bureaucracy be held accountable to elected officials and, through these officials, to the people. Critics sometimes complain that government bureaucracy has no bottom line. In fact, government does have a bottom line: administrative responsibility, not only for administering programs efficiently but also for ensuring that both the process and its results are accountable to elected officials and, ultimately, to the people. Americans care deeply about what government does—whether its agencies pick up the trash promptly and regularly or prevent dangerous food products from being sold in stores—and about how it does it, including making sure that people are treated fairly and that government officials do not abuse their power. How government works is key to the politics of the administrative process. And nothing is more central to these politics than the ongoing, often fierce debate about the size of government.

THE SIZE OF GOVERNMENT

Especially since the end of World War II, citizens have demanded far more services from government—better roads, a stronger safety net, safer food, better mass transit, more effective schools, and even better public colleges and universities. New programs and more ambition led to the creation of more government agencies, more government workers, and more government spending. As Dwight Waldo pointed out, this not only led to a bigger bureaucracy; it also created demand for ensuring that a bigger bureaucracy did not threaten our strong and vibrant democracy.[2]

Five Myths about "Big Government"

Americans often complain about "big government" and legions of politicians have campaigned for office by running against it. Most of what we think we know about big government, however, is wrong. Consider these five myths.

1. Washington is the center of the "big government" problem. In his first inaugural address, Ronald Reagan boldly argued, "Government is not the solution to our problem; government is the problem."[3] Nothing loomed bigger in Reagan's diagnosis than that the best way to drive the country forward is to take power out of Washington and send it back to the states and to the people.

The only problem: we did it—long ago. Most American government isn't federal, and most federal government isn't in Washington. Just one-eighth of all government employees in the United States work for the federal government. Nearly two-thirds work for local governments as teachers, firefighters, police officers, emergency responders, and sanitation workers. Most government in the United States is *local* government.

Moreover, most federal employees work outside Washington. Not only do just one of eight government employees work for the federal government, just one of eight federal employees work in Washington, D.C. There are workers who process Social Security applications, manage air traffic control, provide security at airports, and take care of the national parks. This is a surprise to most citizens, but the federal workers are already mostly spread around the country.

2. Let's take government back to the "small government" days. Suppose we wanted to take the federal government back to the same size it was in Reagan's last days in office. In 2021, there were 2.1 million federal civilian employees, the same number as when Reagan left office in 1989. In the meantime, of course, we made all the nation's airport screeners into federal employees, so we've increased the federal government's functions without increasing the overall federal employment. At the state and local levels of government, there have been increases, but employment has grown only as fast as the population. By the measure of government employees, government really hasn't grown at all. In fact, the number of federal employees is actually smaller than it was in 1969, when the nation's population was 60 percent as large as it is today.

But what if we measured the size of government in terms of government spending? As a share of the total economy, total government spending in the United States is 38 percent, just

slightly larger than it was when Reagan left office.[4] Moreover, government spending in the United States is relatively low compared with other advanced economies. It's slightly larger than Japan and Luxembourg, and slightly smaller than the Netherlands and Poland.[5]

3. Let's cut government by cutting back on the number of federal employees. A host of plans have surfaced during presidential campaigns. There's an underlying assumption that every government agency has enough fat in it that it would be easy to make big cuts and no one would really notice the difference.

Cutting the bureaucracy, however, is much harder than it looks. At the federal level, the dozen largest agencies employ three-fourths of the federal workforce. These twelve agencies perform missions that almost no one would like to cut: the civilian workers who keep the Army, Navy, and Air Force going; the management of the Department of Defense; Customs and Border Protection and the Transportation Security Administration, both of which safeguard the country; the Social Security Administration, which administers benefits for retirees and the disabled; the Federal Aviation Administration, which runs the air traffic control system, the FBI, and the Bureau of Prisons; and the IRS, the agency no one likes but whose functions are essential for collecting the revenue that keeps the rest of the government going (see Table 3.1).

TABLE 3.1 ■ Federal Government Employment in Twelve Largest Agencies

	Agency	Employment	Percent of Total
	Total	**2,100,082**	
1	Department of Veterans Affairs	429,196	20.44%
2	Army	251,652	11.98%
3	Navy	224,957	10.71%
4	Air Force	174,974	8.33%
5	Department of Defense Management	114,232	5.44%
6	Treasury—IRS	80,442	3.83%
7	Department of Homeland Security—Customs and Border Protection	63,949	3.05%
8	Department of Homeland Security—TSA	60,443	2.88%
9	Social Security Administration	59,808	2.85%
100	Department of Transportation—Federal Aviation Administration	44,446	2.12%
11	Department of Justice—FBI	37,681	1.79%
12	Department of Justice—Bureau of Prisons	36,969	1.76%

Source: U.S. Office of Personnel Management, *FedScope* (2022).

Moreover, we've already pushed much of the federal government's work out the door. Nine of every ten dollars in the Department of Energy, one of the departments often proposed to be abolished, are already being spent on contractors, mostly on maintaining the nation's nuclear weapons arsenal, cleaning up the waste from two generations of weapons production, and researching the next generation of nuclear weapons defense. We wouldn't do away with these functions if we closed down the department—and we'd continue to rely on contractors to do the job. We spend about $560 billion per year on contracts throughout the federal government, on everything from drones and advanced fighters to planning and support in civilian agencies.

Consider how we manage Medicare and Medicaid, the federal government's health care programs for the elderly and the poor, and the Children's Health Insurance Program. Together, these programs account for more than $1 trillion in spending, about one-fourth of the federal total. They are managed by about six thousand employees—0.2 percent of all federal employees—who work in the Centers for Medicare and Medicaid Services (CMS). Most of the work of managing the funding for Medicare and Medicaid happens through private contractors, and private clinics and physicians deliver the health care. That's simply stunning. Cutting back on government employees here—and throughout the government—puts enormous amounts of money and services for citizens at risk, because many federal employees don't deliver services. They leverage the nongovernmental partners who do, and weakening their leverage puts money at risk.

4. Let's cut waste, fraud, and abuse. One of the things that everyone seems to know about the federal budget is that it's full of waste, fraud, and abuse. The media are full of programs that don't seem to work, like the Department of Veterans Affairs' long waiting list for vets, and anecdotes about waste, like lazy employees.

A look at the government's biggest problems, however, shows both that there's a lot of waste in government *and* that it's possible to cut it—but that this takes hard day-to-day work, not an axe. There's no line item for waste in the budget to slash. Rather, the problems are marbled into the government's operations, and excising them takes extraordinary skill. Moreover, consider the Government Accountability Office's (GAO) list of the worst-of-the-worst, its "high-risk list" of thirty-six programs most prone to problems.[6] At least twenty-five of the thirty-two programs are there because managers are struggling to deal with huge problems in navigating complex programs across boundaries—contracts with private companies, arrangements with state and local governments, or coordination with other agencies that share a piece of the problem. Since 1990, the GAO has put sixty-four programs into this hall of shame, but twenty-seven of them have escaped. How? Good managers are doing good management.

The GAO found that about one in every ten Medicare dollars is part of government's improper payments problem. But that can't be reduced by decree or willpower. It would take careful sleuthing to track down unscrupulous health care providers charging twice for the same wheelchair or padding the bills for drugs. And that requires government managers who know what they're doing.

Cutting waste, fraud, and abuse is certainly possible. But doing so usually requires more good managers who know how to cut out the marbled waste without destroying the steak. An axe, swung haphazardly, would only make waste worse and turn government's steak into an indigestible pulp.

5. Abolishing agencies will shrink the government. There is a long list of federal agencies that candidates have proposed for the chopping block, including the Environmental Protection Agency (EPA) and the Departments of Education, Energy, Commerce, and Housing and Urban Development (HUD). However, it's a lot easier to erase the names of agencies than to wipe out the functions they perform—and on which citizens depend. Who would operate the satellites, collect the data, and run the supercomputer models that predict the paths of storms like massive hurricanes (as the National Weather Service does in Commerce)? Who would take care of the nation's nukes (as the National Nuclear Security Administration does in Energy)? Who would run the nation's student loan programs, now larger than credit card debt, auto loans, and homeowner lines of credit (as Education does)? Who would help communities reduce lead paint exposure in homes (as HUD's Office of Lead Hazard Control and Healthy Homes does)? No one likes the IRS. In fact, no one has ever really liked revenue agents. However, to pay for what we expect government to do, someone must pay the taxes, and someone must collect them.

None of this is an excuse for government doing stupid things, or for doing well-intentioned things in inefficient ways. But if we're really serious about cutting down government's reach into our lives, we need to get past the myths of big government—and figure out how to make the government we insist on work well. That doesn't require more government, but it surely requires a smarter one. And, at the core, it requires an effective public administration. So let's explore the question of government, its size, and its functions, in more detail.

Number of Governments

The first step is counting the number of governments we have in the United States. We have, of course, one federal government and fifty state governments. But, as Table 3.2 shows, the United States has a very large number of local governments—more than ninety thousand, in fact. Local governments are the foundation of public administration in the United States, from police and fire to sanitation and education. In fact, the public administrators citizens are most likely to see and connect with are local government officials.

TABLE 3.2 ■ Number of Government Units

	1942	2017
Federal	1	1
State	48	50
Local	155,067	90,075
Total	155,116	90,126

(*Continued*)

TABLE 3.2 ■ Number of Government Units (*Continued*)

	1942	2017
County	3,050	3,031
Municipal	16,220	19,495
Towns	18,919	16,253
School district	108,579	12,754
Special district	8,299	38,542

Source: U.S. Census, Census of Governments, https://www.census.gov/data/tables/2017/econ/gus/2017-governments.html.

More than half of local governments are **special-purpose governments**, such as school districts and special districts, with functions including water and sewer systems, airport operation, cemeteries, dikes and drainage, regional fire protection, flood control, libraries, mosquito control, parks, regional bus service, weed removal, and garbage collection. These districts have three things in common: a narrow focus on which they concentrate their work; some kind of governance structure, often through appointed or elected boards; and taxing authority, either through general taxes or special **user fees** (where citizens pay for the services they get, like bus fares or water bills).

HBO's *Last Week Tonight*, hosted by comedian John Oliver, actually spent most of one episode exploring these special districts.[7] He found that these special districts spend more money than all of the Russian military and that many of them have board meetings so sparsely attended that, in some cases, only a couple of board members are present. In a 2012 study, Kentucky's state auditor, Adam H. Edelen, found that these special districts were "the most prevalent and least understood level of government" in the state. Edelen was surprised by what he found. "It is a scandal that for generations no Kentuckian could answer basic questions as to the number of special districts, nor how much they tax, fee, spend, or hold in reserves," he stated. These special districts cost Kentucky taxpayers more than the cost of running their counties. Their work, Edelen concluded, was critical to the services that citizens expect, but the lack of transparency and accountability was "scandalous." The districts, he said, constituted a collection of "ghost governments" that required upgrades in technology, training, and rules to improve the way they answered to citizens.[8]

Not all special district governments share these problems. Many special-purpose governments are large, robust, and professional, like the school districts that provide education in many of the nation's cities. But these governments raise particular challenges for public administration, especially since they have been on the rise, more than quadrupling in number since 1942.

Some parts of the country, moreover, tend to have more local governments than others, special-purpose and otherwise. The Midwest tends to have far more local governments, both in total and by state, than any other part of the country. There's a large variety of cultural reasons that explain this, from the instinct of the region's settlers to create large numbers of small towns to a high reliance on special districts. Grand Forks, North Dakota, ranks first in the country

with the most number of governments per 10,000 in population, with 12.2. Among major cities, Pittsburgh has 2.0 governments per 10,000 in population. Las Vegas ranks at the other end of the spectrum, with just a handful of governments for its more than 640,000 residents.[9] This is all part of the rich fabric of government in the United States—and of local government in particular.

Government Employment and Spending

Measuring the size of government, beyond counting the number of governmental units, turns out to be very difficult.[10] But let's start looking at the size of government by looking at the number of government employees.

At the federal level, the total number of federal employees grew rapidly in the last century, from just 231,000 in 1901 to 2.3 million in 2023.[11] That's more than a ninefold increase. However, over the same time period, the U.S. population has grown as well. As a share of the population, however, the number of federal employees isn't much larger now than it was in 1920, after factoring in population growth. Federal employment grew rapidly during World War II, increased during the expansion of government programs through the Great Society of the 1960s, and then began tapering off.

In fact, the total number of federal government employees is about the same as it was in 1969. The real growth in the number of government workers has come at the state and local levels, where the number of government workers has nearly doubled over the same time. There are nearly twice as many state government workers as in the federal government, and there are more than twice as many local government workers as in the state government.

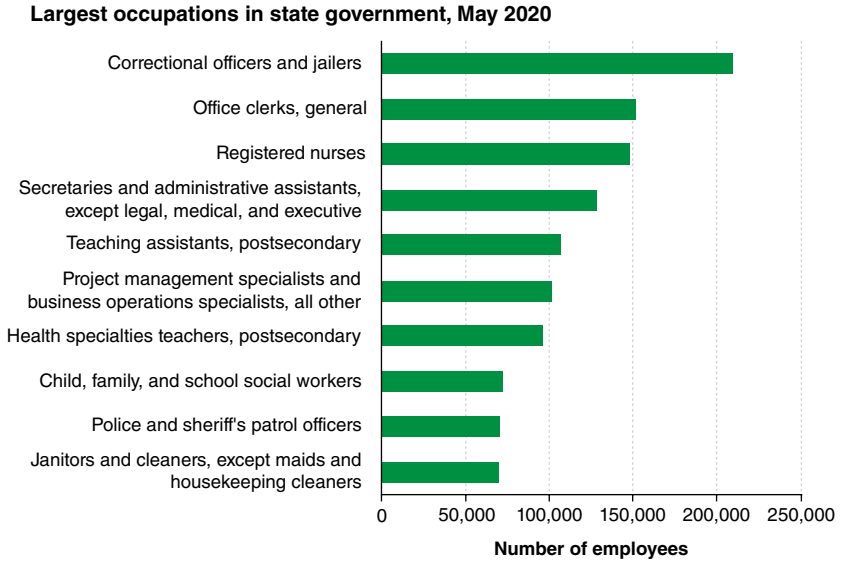
Some of these changes undoubtedly are because of population growth. In the more than seventy years years after 1950, the country's population doubled, so we might expect that we'd need more government workers to provide services to so many more people. In fact, however, the number of federal employees per thousand citizens has dropped by one-third. The number of state and local government employees has more than doubled. So, when we look for where government has grown, at least in the number of government employees, we need to look at state and local governments.

And what do state and local employees do? At the state level, the largest occupations are corrections, general office support, nurses—and college teaching assistants. At the local level, teachers, police officers, firefighters, and office clerks make up most of the employees (see Figures 3.1 and Figure 3.2).

Compared with other countries, in fact, the United States is distinctive in having such a large share of its government workers below the national level. Along with other federal systems, where power is shared across the national and subnational levels, there are about 15 percent of all government employees in the national government. Compare that with countries like Ireland, New Zealand, and Turkey, where the national government performs almost all functions and where the national government has almost all government employees.

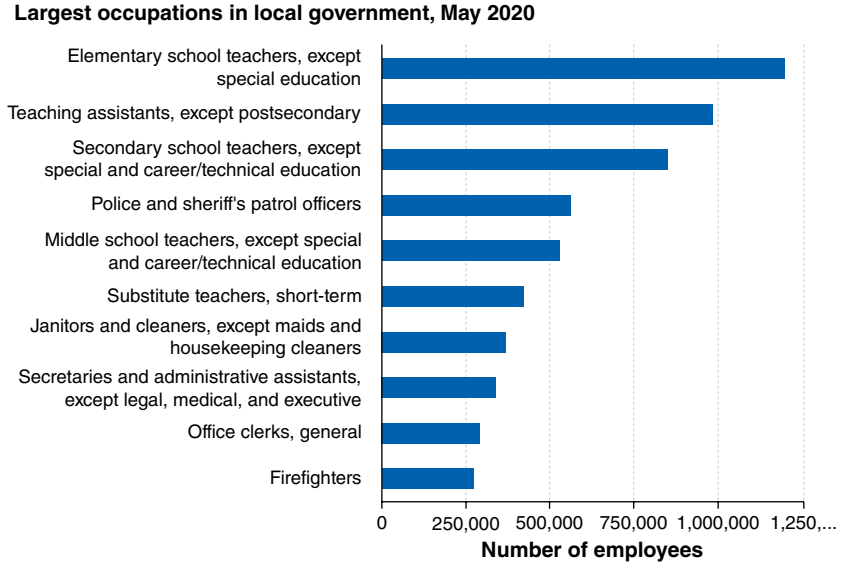
None of this information points to a portrait of explosive, big government. The number of employees has grown, but only in proportion to population growth, and mostly at the state and local government levels. There hasn't been a large increase in the number of feds. On the international stage, American government is about average in the number of employees, and

FIGURE 3.1 ■ State Government Occupations



Source: Bureau of Labor Statistics, "Occupational Employment and Wages in State and Local Government" (December 2021), https://www.bls.gov/spotlight/2021/occupational-employment-and-wages-in-state-and-local-government/home.htm.

FIGURE 3.2 ■ Local Government Occupations



Source: Bureau of Labor Statistics, "Occupational Employment and Wages in State and Local Government" (December 2021), https://www.bls.gov/spotlight/2021/occupational-employment-and-wages-in-state-and-local-government/home.htm.

it's relatively small in spending. The number of American governments has grown, but mainly to serve special purposes that have accompanied the growth of the nation's populations. These conclusions certainly don't match popular perception, but they're the underlying bedrock of public administration.

WHAT GOVERNMENT DOES

Government is a complex collection of services, much of which are hard for us to see and, sometimes, to avoid taking for granted. Consider these snapshots of government in action:

- The Social Security Administration distributed sixty-six million monthly payments, totaling more than $1 trillion in benefits in 2022. Nine out of ten individuals over the age of sixty-five receive Social Security benefits, which amount to nearly a third of their income. Among the elderly, more than one in five married couples and almost half of unmarried persons rely on Social Security for 90 percent or more of their income. The program has been a major force in dramatically reducing the poverty of older Americans.[12]
- In 1989, the Federal Deposit Insurance Corporation (FDIC), best known for its bank-window stickers promising $100,000 insurance for each account, took over the management of two hundred financially troubled savings-and-loan institutions. As part of this process, the FDIC found itself the temporary owner of 12 percent of the Dallas Cowboys football team. Even fans in other parts of the nation had to grudgingly admit that, for a time, the Cowboys were America's team.[13]
- Inspectors for the Food and Drug Administration, alerted in March 1989 to the possibility that terrorists might attempt to poison imported fruit, managed to find two grapes—in a shipment of 364,000 crates of grapes—that had been injected with cyanide.[14]
- In Austin, the emergency medical service handled 13,686 calls in the first six months of 2022. The 911 operators answered 86 percent of the calls in less than ten seconds.[15]
- The Ports of Los Angeles and Long Beach are the nation's busiest port. Managed as a department of the City of Los Angeles, its facilities handle $281 billion in cargo per year, in the world's ninth-largest port complex. One-third of all the cargo flowing into the United States comes through the ports.[16]
- Texas A&M University is the largest college in the country, enrolling more than sixty-seven thousand students. In the perennial rivalry with the University of Texas at Austin, Texas A&M boasts a football stadium that seats 2,000 more fans, but the Big House at the University of Michigan tops them both with a capacity of nearly 108,000. On football game days, that makes it larger than all but three hundred of the cities in the country. All of these schools, of course, are state universities.

The scope of the American government's activities is nothing short of remarkable. From controlling drug safety to researching AIDS, from protecting the food supply to protecting

the nation's finances, from arresting criminals to protecting waterfalls, government agencies oversee an amazing variety of services. Public administration is central to all of these functions.

Not surprisingly, the functions of government are different at each level of government. As Table 3.3 shows, the federal government has primary responsibility for national defense, although the states run the National Guard. The federal government also runs the Postal Service and conducts space exploration, and it spends more than the other two levels of government put together on veterans' services, protection of natural resources, and entitlement programs like Social Security. State governments have primary responsibility for higher education, welfare, highways, and prisons and jails. In some states, liquor stores are government-owned monopolies. In Pennsylvania, for example, a former liquor control board commissioner was also a wine aficionado, and state liquor stores featured his "chairman's selections"; a government official was also serving as the state's quasi-official wine steward. Finally, local governments carry primary responsibility for basic services such as fire protection, police, and elementary and secondary education. For a few services, including health and hospitals, governmental responsibilities are balanced among the levels of government.

TABLE 3.3 ■ Concentration of Government Spending

Level of Government with Primary Responsibility

Federal	State	Local	Mixed
Defense	Higher education	Elementary education	Health
Postal Service	Welfare	Libraries	Hospitals
Space	Highways	Police	
Veterans' services	Corrections	Fire	
Natural resources and environment	Inspections	Parks	
Social Security	Liquor stores	Housing and community development	
Homeland security		Sanitation	
		Utilities	

Note: "Primary responsibility" means accounting for more than 50 percent of direct government spending for the function.

Although most government functions are concentrated in one level of government, there's almost no area in which a level of government has exclusive responsibility for any major function. Federal and state governments provide aid to local schools and set broad policies. Local governments pass resolutions on foreign policy questions. In short, America's public administration system is part of the nation's system of federalism, and that system is a world of blended functions. On any issue that matters, many Americans want a voice, and there are few barriers to governments getting involved in important questions. This blended system is a logical product of America's politics and rich history, but it also creates many of its administrative cross-pressures. Political imperatives lead to shared policymaking; shared policymaking means

that no single level of government has full responsibility for anything. This fundamental political reality muddies accountability and vastly complicates performance.

HOW GOVERNMENT DOES IT: THE TOOLS OF GOVERNMENT

This story of blended policymaking and policy administration is the cornerstone of American public administration.[17] It explains how government could extend its reach without expanding its workforce. And it explains why accountability and performance is difficult, since rarely is anyone fully in charge of anything and so many hands share responsibility for results.

One helpful way of understanding the work of government is to see public administration not just as a collection of departments, bureaus, and agencies but as a collection of basic tools, which organizations and their leaders operate. As Christopher C. Hood puts it:

> We can imagine government as a set of administrative tools—such as tools for carpentry or gardening, or anything else you like. Government administration is about social control, not carpentry or gardening. But there is a toolkit for that, just like anything else. What government does to us—its subjects or citizens—is to try to shape our lives by applying a set of administrative tools, in many different combinations and contexts, to suit a variety of purposes.[18]

Some of these tools are **direct tools**—including the provision of goods and services, such as police and fire protection; income support, such as Social Security; and the cost of doing business, such as basic organizational management and the payment of interest on government's debt. As we move from the federal to the state and then to local governments, the administrative tools are more likely to be direct: from local ambulances to libraries, or from schools to criminal justice, local administration is most likely to be **direct administration**. This is the approach that comes to mind most often when we think of government, and it matches the model that citizens and policymakers alike carry around in their heads. Government is a vending machine into which policymakers load programs, insert money, and wait for goods and services to pop out. When the wrong things come out of the machine, the answer is to tinker with its mechanisms. If the price goes up, then the machine can be reset to take more money. As long as government was direct, the vending machine fit the popular model, and improving public administration remained a matter of adjusting its parts.[19]

But government has also undergone a quiet revolution—the development of a government by proxy through **indirect tools** of action.[20] Such indirect tools include contracting out governmental programs to nongovernmental partners; disbursing grants to encourage other levels of government to do things they might not otherwise have done; regulating behavior to change private-sector actions; handing out vouchers to allow citizens to purchase services from private organizations; and administering loan programs to enhance the ability of individuals and private organizations to borrow private money to pursue public goals. At the federal level, for example, the federal government's actual spending—$6.8 trillion in 2021—is only about half of its financial footprint, after we account for the incentives in the tax code (tax expenditures), its loan programs (and student loans are the largest), and the costs of regulatory compliance (see Table 3.4).

TABLE 3.4 ■ The Federal Government's Financial Footprint

	Amount (2021)	Percent of Total
Total outlays	6,822	58%
Composition of outlays		
Mandatory programs	4,629	39%
Grants (except mandatory programs)	551	5%
Interest	352	3%
Contracts and acquisitions	832	7%
Other discretionary spending	458	4%
Tax expenditures	1,500	13%
Loans	1,539	13%
Regulatory compliance	1,900	16%
Total	11,761	100%

Source: William D. Eggers and Donald F. Kettl, *Bridgebuilders* (Cambridge, Mass.: Harvard Business Press, 2023).

We will return to a detailed examination of these issues when we examine policy implementation in Chapter 13, but a brief excursion through these tools now will help set the stage for the discussions to follow.

Contracts

While governments have always relied on **contracts**—to feed and supply armies, for example—their use has increased markedly since World War II. The growing complexity of government has led to greater reliance on private-sector experts and outside organizations. In a contract, government administrators sign a formal agreement with private parties: the government agrees to pay a certain amount of money in exchange for a good or a service.

The reach of contracts is long and sweeping. Consider America's long and painful war in Afghanistan. Just a month after the terrorist attacks of September 11, 2001, the United States and a collection of allies launched a major counterattack to root out the al Qaeda organization that had planned the September 11 attack, to disrupt any future attacks, and to get al Qaeda's leader, Osama bin Laden. The Obama administration finally did get bin Laden, in a daring 2011 raid by Navy Seals in neighboring Pakistan, but the war dragged on for years afterward. From the beginning, the Pentagon's strategy was to keep the size of deployed forces as small as possible. Following a surge of troops in 2011, for example, there were nearly 100,000 soldiers in the country. But supporting the troops was a vast army of civilian contractors. At the end of 2008, for example, there were 2.2 contractors for every U.S. soldier, including American and international workers, as well as tens of thousands of local contractors hired to support the war

effort. For most of the war, American troops accounted for less than half—and sometimes only a third—of the force sent to root out al Qaeda.[21] Recruiting enough soldiers to fight the war would have been very difficult, and the contracting strategy allowed the military extra flexibility. But relying on so many contractors vastly complicated the war-fighting effort and the problem of ensuring accountability for the use and support of force.

Contract administration thus requires the government to employ officials to set the standards for contracts, to negotiate effective programs at low prices, and to oversee the results that contractors produce. While newspaper stories about Pentagon contracting scandals remind us about both the scope of federal contracting and how difficult it can be to administer contracts well, they disguise the degree to which government at all levels relies on contracting. From the management of cafeterias in federal office buildings to the construction of roads by local governments, contractors play an important role in many governmental activities. The effective management of contracts poses a growing challenge for public administrators.

Grants

Much governmental activity occurs *between* levels of government. Sometimes one level of government wishes to provide financial assistance to another level, often to encourage other governments to do what they could not otherwise afford or might not otherwise choose to do. Sometimes one level of government wants to induce another level to perform a certain service in a particular way. For example, the federal government created the interstate highway system to encourage state governments to build modern high-speed roads. It provided 90 cents of every construction dollar, and the states naturally found the funds irresistible. In fact, the use of this tool dates from the Ordinance of 1787, before the drafting of the Constitution, which provided land grants to the states for education. Since then, **federal grants** have been used for everything from supporting land-grant colleges to helping states provide medical care for the poor. Many state governments provide a large share of the support for local schools, to help improve the quality of education and to level out the financial disparities among local governments. As Donald Haider observed, "federal grants are the oldest, most widely used, and probably the best-understood tool that the federal government has available to carry out public policy."[22]

The administration of grants differs significantly from direct administration and from administration through contracts. Administrators at one level must supervise administrators at another, but they cannot command actions or write contracts. Most often, grants work by providing incentives for state and local governments to act, but also to use their own judgment on how to administer programs. This creates another complex front on which to weigh the issues of politics, performance, and accountability, and it incorporates new challenges for administration.

Regulations

As the beginning of this chapter made clear, we can't even get out of bed in the morning without encountering government regulation, for it dictates the disclosures about the content of the bed on which we sleep, the strength of the floors on which we walk, the safety of the electricity that

powers our alarm clocks, the labels on our orange juice, and almost everything else we touch before we even leave our homes.

We often refer to this as the world of **red tape**. The term has long historical roots, from the brightly colored ribbon used to tie up documents presented to the English king in centuries past. After the American Civil War, veterans had to show proof of their service to receive their pensions. The war records were bound in red ribbon, so government officials had to "cut the red tape" to get to the papers. Since then, "red tape" has captured the image of a government tied up in its own rules. We often complain bitterly about red tape and look for someone with a sharp knife to cut through complications. This is one more way that government can increase its reach into our lives without increasing its size. A relatively small number of government administrators can write rules that affect us all. But we often want this to happen—we expect government to ensure that our elevators and cars are safe, that companies don't pollute our drinking water, and that we get a fair shake at tax time. We might hate the process, but we also insist that it work well. Regulation is one more way that the government increases its reach into our lives without increasing its size.

Regulatory programs can significantly expand government's power while spending relatively little money. A mere handful of government regulators can promulgate extensive and costly rules that apply to entire industries or large segments of the population. Even the volume of **regulations**—there are more than two hundred volumes in the *Code of Federal Regulations*, the federal government's compendium of rules—does not provide a really good gauge of the size or scope of federal regulations. The rules are wide ranging: there are twenty volumes of rules on agriculture, eighteen covering the IRS's tax regulations, and one on the Panama Canal. A casual look around us shows the breadth and importance of regulation by all levels of government. Federal food experts find the tainted grapes. State regulators check the management of many banks and insurance companies. Local inspectors ensure the accuracy of the scales that grocery stores use to measure and charge for our food. Everything from the cars we drive, the gas we put in them, the bicycles we peddle, the reflectors on their sides, the clothes we wear, the banks we use, the air we breathe, the food we eat, and the airplanes in which we fly is covered by regulations—and by the public administrators who write and enforce these rules.

Tax Expenditures

Governments at all levels include special incentives in their tax codes to encourage behavior, from making investments in agriculture to buying homes. These features do more than ease taxpayers' burdens; they promote many different social and economic policies to encourage taxpayers to do some things and avoid doing others. Such tax advantages are called by a variety of names—tax breaks, tax loopholes, and **tax expenditures** (which is the term we use, to emphasize their relationship to regular spending). Tax expenditures reduce the cost of homeownership and thus encourage taxpayers to buy rather than rent their homes, for example. The interest taxpayers earn on state and local government bonds is another example of a tax expenditure that is exempt from income taxes, which thereby reduces the cost of state and local government borrowing. The special tax breaks for oil and gas exploration encourage more exploration for these resources.

Most state income taxes use federal tax law to structure their systems, so federal tax expenditures spill over into the state level as well. Seven states have no income taxes—Alaska, Florida, Nevada, South Dakota, Tennessee, Texas, and Wyoming—but all of them have provisions in their tax code to encourage some kinds of spending. Many states, for example, have "sales tax holidays" in the late summer to encourage back-to-school shopping. Moreover, many local governments have devised economic growth programs—enterprise zones, tax increment financing zones, special tax abatements—to encourage investment in economically depressed areas. For many economic development projects, the tax breaks can provide incentives. State and local governments view them as investments in the future.

Proponents of tax expenditures often promote them as "free" programs. After all, the government does not have to budget or spend any money on these programs, and that hides their cost—which, of course, is real. They are scarcely free: tax expenditures cost the government money, by taking away from current and future revenues instead of adding to the pool of money for spending. Moreover, because their cost is relatively hidden—estimates for federal tax expenditures are buried deep inside the budget in a place only tax policy wonks can find them—once tax expenditures are created, there usually is no process for renewing them or for assessing their effectiveness. In fact, there is no total of the cost of these provisions. But they can be very complex to administer. Tax expenditures require tax administrators to write and enforce rules, which can be, as anyone who has encountered the IRS can testify, a very difficult process. Those problems constantly embroil the IRS in controversy and political conflict.[23]

Loan Programs

The federal government has become the largest lender in the country. From guaranteeing student loans to extending credit to farmers, the federal government provides financial assistance through a broad range of **loan programs**. (Other levels of government have their own programs as well, but the federal government plays the most important role in this area.) Federal lending began during the Great Depression, but it grew dramatically during the late 1970s and early 1980s. As budget deficits swelled, members of Congress seeking new ways of funding federal programs found that loans provided an easy answer. As Rep. Willis D. Gradison Jr. (R-Ohio) put it, federal loans are "a technique used during a period of budget stringency to do good things where the cost doesn't show up until later." The result is a huge but hidden support of the lending markets. Federal lending has increased dramatically, with more than $3.3 *trillion* in loan guarantees and more than $1.8 *trillion* in direct loans. Lending programs, already rising in the 2000s, got a big boost during the economic crisis late in that decade. Student loan programs, in particular, increased dramatically, to more than $1.3 trillion in outstanding loans, a level higher than credit card loans, mortgage equity lines of credit, and car loans.[24]

Although the federal government dominates government credit policy, lending programs are administered in a highly decentralized fashion. Loans for college students and home mortgages, for example, are administered by local banks under the supervision of state and federal agencies. Government loan programs, thus, are part of the subtle and complex public-private mixture of administrative strategies that have grown in the American system, especially since 1945.

IMPLICATIONS FOR PUBLIC ADMINISTRATION

Our broad discussion of what the government does and how it does it leads to three broad implications.

1. The job of government varies by level. Local governments tend to concentrate on direct provision of goods and services. State governments provide many goods and services directly as well, but they also play a crucial intermediary role in the American federal system by transferring money to local governments (especially for public schools) and administering grants from the federal government (especially for welfare and Medicaid). The federal government, by contrast, devotes most of its administrative energy to national defense and the transfer function. Different levels of American government tend to do different things. That means public administration in America also varies by the level of government.

2. The job of government varies by function. The growth of transfer functions emphasizes that different kinds of governmental programs require different administrative approaches. Providing goods and services, from education to national defense, requires sharp technical skills. For example, education administrators work to develop the best techniques: the best way to train teachers, the right kind of audiovisual aids, textbooks that do not promote stereotypes or advance the "wrong" values, and tests that most appropriately measure students' achievements. In direct provision of goods and services, most administrative action is internal to the government's bureaucracy. By contrast, administering transfer programs involves extensive action external to the government bureaucracy. Instead of mailing checks for welfare and Social Security, government could directly provide such services as government-run shelters for those who could not afford their own homes, government-run kitchens for those who could not afford food, and so on. Transfer payments serve both to make the government's administrative task easier and to preserve dignity and free choice for the recipients. They also fundamentally change the administrative task: instead of providing the necessary services, the government seeks to determine the size of the check to which the law entitles a recipient. That is a very different kind of government–citizen interaction than would be involved in direct services, and it requires a different collection of administrative skills. Thus, the job of government varies with the job it does.

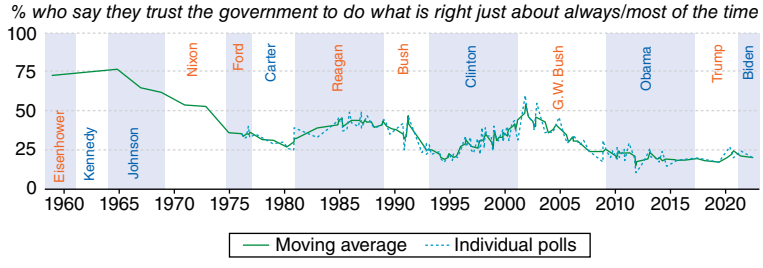
3. The job of government varies by who finally provides the goods and services. Even services that formerly were offered directly by government are now being provided instead through contracts, intergovernmental grants, tax expenditures, and loan programs. Just as in transfer programs, much of the administrative work is external to the government bureaucracy. When contractors manufacture weapons for defense or collect local garbage, government officials are "in the uncomfortable position of being held responsible for programs they do not really control."[25] There is, in short, a difference between who *provides* a service, by creating a program and paying for it, and who *produces* it, by actually administering the service.[26] As government has grown bigger, more and more of its growth has come about through providing more services but relying on nongovernmental agents and organizations—or sometimes governments at other levels—to produce them.

Such **government by proxy**—the use of third-party agents to deliver programs that the government funds—is different from transfer programs because the responsibility of government officials extends far beyond simply ensuring that checks are mailed out correctly, and it is different from directly administered programs because government officials do not control those who finally provide the service. Each government tool requires a different approach to administration, tailored to its special problems and needs. We explore this problem in more depth in Chapter 13. For now, it's important to note that the job of government varies with who ultimately delivers the service.

This complexity, in turn, is part of the problem of trust in government, because it's hard to trust a government in which no one seems clearly in charge. The growing problem of trust in government is inescapable. In 1958, 73 percent of Americans said they trusted government "just about always" or "most of the time." By 2022, it was 20 percent and had been bouncing along the bottom for a decade (see Figure 3.3).[27] At the state level, 55 percent of respondents couldn't thinking of a single area where they believed that their governments were doing a good job.[28]

Of course, Americans have always been ambivalent about their government. One of the things that distinguishes the United States of America from many of the world's other nations is that it was founded on a revolution. Its citizens rejected their king, fought off the world's most powerful army, and dedicated themselves to the idea that they would never again permit such concentrated governmental power to rob them of their liberty.

FIGURE 3.3 ■ Public Trust in Government

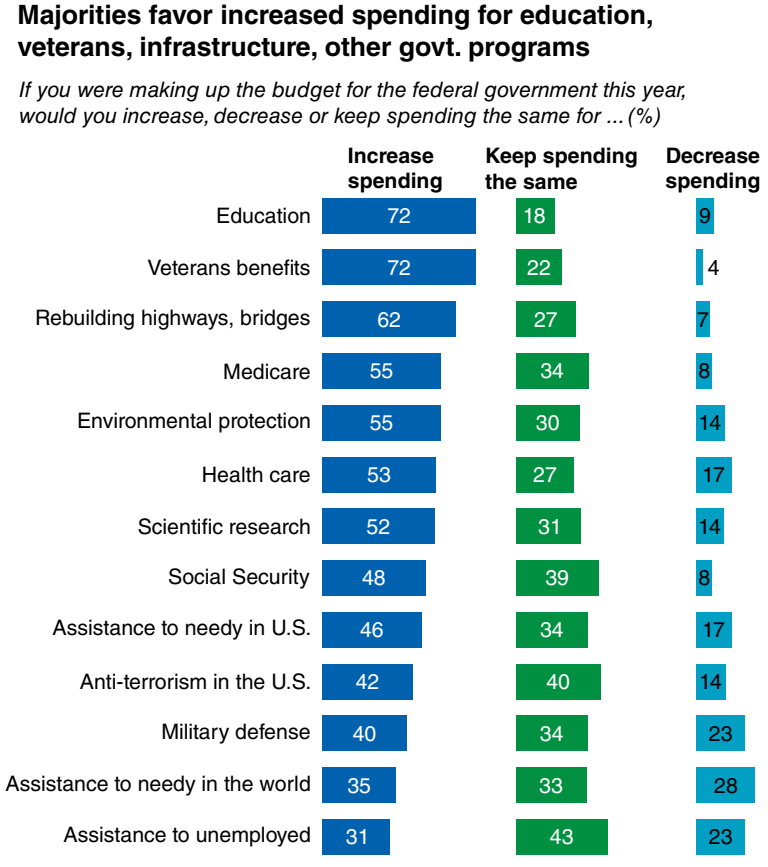


Source: Pew Research Center, "Trust in Government: 1958–2022" (June 8, 2022), https://www.pewresearch.org/politics/2022/06/06/public-trust-in-government-1958-2022/.

On the other hand, Americans have always expected government to protect them. The Marine Corps hymn celebrates the Marines' role in protecting the nation "from the halls of Montezuma" (the site of a famous battle in the Mexican-American War in 1847) "to the shores of Tripoli" (a battle against North African pirates in 1805). From these early battles to the effort to stop and clean up the tainted drinking water in Flint, Americans expect their government to work for them. In fact, a 2019 survey by the Pew Research Center found that there was no majority support for cutting any major federal program (see Figure 3.4).

But they never like the governmental power that goes along with its job. As one Republican strategist told the *Washington Post*, "Americans don't want government to work." Why is that so? "They want it to stop working because they suspect every time it does work, they pay a price."[29]

FIGURE 3.4 ■ Little Support for Reductions in Federal Spending


Majorities favor increased spending for education, veterans, infrastructure, other govt. programs
If you were making up the budget for the federal government this year, would you increase, decrease or keep spending the same for ... (%)
Increase spending
Keep spending the same
Decrease spending
Education 72 18 9
Veterans benefits 72 22 4
Rebuilding highways, bridges 62 27 7
Medicare 55 34 8
Environmental protection 55 30 14
Health care 53 27 17
Scientific research 52 31 14
Social Security 48 39 8
Assistance to needy in U.S. 46 34 17
Anti-terrorism in the U.S. 42 40 14
Military defense 40 34 23
Assistance to needy in the world 35 33 28
Assistance to unemployed 31 43 23

Source: Pew Research Center, "Little Public Support for Reductions in Federal Spending" (April 11, 2019), https://www.pewresearch.org/politics/2019/04/11/little-public-support-for-reductions-in-federal-spending/.

There's a deep paradox here—a fear of a government so powerful it could erode their liberty and the insistence on a government powerful enough to solve almost any problem. That's a tall order, if not an impossible job. Indeed, Erwin C. Hargrove and his colleagues wrote about *Impossible Jobs in Public Management.*[30] Public administrators always find themselves squeezed in this paradox.

CONCLUSION

If there truly is a crisis of confidence in American government, its roots are not necessarily in "big government." While government unquestionably has gotten bigger, it has not become more concentrated. Its growth has come through **entitlements** and loan guarantees and contracts, as well as through an expansion of services that citizens expect—and demand. In fact, the "size of government" issue is really a reflection of government's growing complexity. More and more,

governmental programs rely on intricate relationships among levels of government or between government and private contractors or other agents. That web, in turn, has disconnected decisions about raising money from the ways we spend it. Those responsible for the performance of governmental programs are not always within the same level of government, and often they are not within government itself.

That complicates the task of accountability. Traditional approaches to accountability, as we see in the next chapter, depend on a direct link between government policymakers and the administrators executing governmental decisions. When the chain of implementation stretches beyond a government agency to another level of government—or even to nongovernmental partners—traditional approaches to government are strained. This certainly does not mean that the growth of government's reliance on indirect tools makes accountability impossible; nor does it necessarily make it more difficult, although holding government's partners accountable often requires different and more complex approaches. But it does mean that today's accountability is often different from the accountability system that government has been used to in the past, and that raises new challenges for government accountability.

Indeed, from filling out income tax forms, to borrowing money through student loans, to working as government contractors, all citizens have become more involved in the performance of governmental programs. Public functions are more intricately interwoven with the private sector, and this interweaving brings new complexities into the administration of government. If government depends both on public and private values, whose values are to prevail in the inevitable conflicts, and who will work out solutions to these conflicts?

These fundamental issues, which underline the crucial problems of accountability and performance in public administration, will follow us through this book as we explore the value of traditional theories of management, both public and private, and as we examine the challenges of the new approaches, both to existing notions of public administration and to lasting values of American democracy.

CASE 3.1: ORGANIZING GOVERNMENT AROUND LIFE EVENTS

Michael was a sixty-five-year-old Texan living in a public housing unit until a fierce hurricane struck his town in 2017. He evacuated to a shelter, a wise move because when the clouds cleared, he discovered his home was unlivable.

That was just the first disaster. The second was his struggle with a system trying to help him. Amid the tremendous challenges he faced, he forgot to renew his Supplemental Nutrition Assistance Program (SNAP) and Medicaid benefits, so he found himself not only without a home but also without nutrition assistance and health care. "I was so out of it—there were just too many things to keep track of," he explained.[31]

Like other major life events—including getting married, having a baby, losing a job, suffering a major illness, and burying a parent—natural disasters bring deep stress, intense engagement with government, and huge problems in navigating the system because of the

tangled web of federal, state, local, and nonprofit services. Michael didn't know that the Red Cross could have helped him get temporary housing at a nearby hotel. He did eventually link up with a Red Cross case manager who helped him rewire his food and health benefits. Later on, the local public housing authority got him a new apartment nearby. But navigating the system proved a huge challenge.

In addition to the Red Cross and the housing authority, the effort to help Michael involved the Federal Emergency Management Agency (FEMA), the U.S. Department of Agriculture, the federal Centers for Medicare and Medicaid Services, the Texas health department, and the U.S. Department of Housing and Urban Development, among other players. That would be a staggering group of connections for anyone to manage in normal times, but all the worse in the middle of such a life-shattering event.

The problem, a nonprofit manager explained, is that "it isn't anyone's job to make sure the disaster survivor accesses the greatest amount of resources available. It's on the survivor to navigate the system and they usually don't know how." At least twenty different agencies, at all levels of government, are typically involved in providing disaster assistance, and this doesn't count nonprofit organizations like the Red Cross and neighborhood churches. It's little wonder that Niki, a Florida disaster survivor, complained, "any information I needed I had to go out and find myself."

In its new management vision, the Biden administration pledges to connect the dots far more effectively by organizing government's services more around major life events. "Imagine," the initiative's vision document asks, "if the U.S. government understood each of its services through the eyes of our customers. How might Federal agencies change their approach or better work together?"[32] The document reports on research efforts "to understand how customers navigate across multiple Federal agencies and even levels of government"—an acknowledgment that state and local governments will need to be part of any solution.

Managing from the Outside In

It's not so much that government is blind to people's needs. It's that government agencies tend to focus on managing programs from the inside out, rather than connecting with citizens from the outside in. Agency boundaries never line up with the problems people face, and people struggle to find the help they need when they need it.

And it's not just a problem on the dark side of people's lives. We have friends whose trip to the hospital to deliver a baby came hours before New Year's, so the blessed event provided a whole year of tax breaks for the family. But making that happen required a lot of paperwork. There's the birth certificate, which the baby will need throughout life to get a passport, enroll in schools, obtain a driver's license, and apply for government benefits. Getting the tax break also requires a birth certificate to obtain a Social Security number. That means connecting the county health department as well as the Social Security Administration, even as parents are coping with diapers and 2 a.m. feedings.

Other countries have established life-event programs to crack this problem. New Zealand, for example, developed an award-winning website for expectant parents called "SmartStart," which helps families navigate not only the services that are available to them but also everything from "trying for a baby" to "preparing for pregnancy" to "how to get fertility treatment."

New Zealanders don't need to know which government agency provides help on any of these issues—or even whether help might come from the government, a nonprofit, or a private company. They can simply dive into a problem and follow the links to whichever source can best provide help. When help comes through government programs, the website has links that take customers directly to an online application for benefits.

The Importance of User-Centered Design

Other governments, ranging from Australia to Slovakia, also have created thoughtful life-events programs. The basic strategy is simple: organize the system from the point of view of customers and the problems they're trying to solve, and then use information technology on the back end to connect them to the organizations that can help, whichever they might be. People can lay out the what of the problem; IT can link to the who of the solution.

That's what Biden's management agenda is trying to do for the federal government, as a key to providing better services to customers. An important step in the strategy is identifying the thirty-three "high impact service providers" that have the biggest roles to play for customers. Interconnecting them to customers' needs is a big first step in helping people navigate life events.

What we need is a truly seamless system, from the customer's perspective, one that doesn't require superhuman navigating skills. To make that work, state and local governments will need to be part of the network, and they'll need to invest as well in user-centered design, including charts of the "customer journey" to map the steps—and voices—of customers and the pain points they face along the way. Starting with the customer, and walking in the customer's shoes, can help chart a far more effective strategy for a world where no single agency—state, local, federal, or nonprofit—is fully in charge of solving any problem.

If government is going to help people like Michael and Niki and rebuild trust in the public sector's ability to perform, the life-events strategy offers enormous opportunity. Otherwise, people will have little confidence in a government that they connect with when they need help most. But that's going to require a fresh way of looking at government management that sees the customer, not the program, as the basic building block.

Questions to Consider

1. Consider your own experience. Are there key parts of your own life where it would have been useful to bring different parts of government together in one place?
2. Coordination and collaboration in government always present challenges. Do you think that life-cycle design might provide a way to conquer these challenges, in at least selective areas?
3. Are there broader lessons for service to the people in this case?

Note: This case originally appeared in *Governing.com* (December 16, 2021).

CASE 3.2: WASTING AWAY? FIFTY EXAMPLES OF GOVERNMENT WASTE[1]

In late 2009, the conservative Heritage Foundation released a list of fifty examples of government waste. The examples fell into six categories, according to the foundation's analysts:

1. Programs that should be devolved to state and local governments
2. Programs that could be better performed by the private sector
3. Mistargeted programs whose recipients should not be entitled to government benefits
4. Outdated and unnecessary programs

5. Duplicative programs
6. Inefficiency, mismanagement, and fraud

And here's the foundation's list:

1. The federal government made at least *$72 billion* in improper payments in 2008.
2. Washington spends *$92 billion* on corporate welfare (excluding expenditures under the Troubled Assets Relief Program [TARP]) versus $71 billion on homeland security.
3. Washington spends *$25 billion* annually maintaining unused or vacant federal properties.
4. Government auditors spent the past five years examining all federal programs and found that 22 percent of them—costing taxpayers a total of *$123 billion* annually—fail to show any positive impact on the populations they serve.
5. The Congressional Budget Office published a "Budget Options" series identifying more than *$100 billion* in potential spending cuts.
6. Examples from multiple Government Accountability Office (GAO) reports of wasteful duplication include *342* economic development programs; *130* programs serving the disabled; *130* programs serving at-risk youth; ninety early childhood development programs; *75* programs funding international education, cultural, and training exchange activities; and *72* safe water programs.
7. Washington will spend *$2.6 million* training Chinese prostitutes to drink more responsibly on the job.
8. A GAO audit classified *nearly half of all purchases* on government credit cards as improper, fraudulent, or embezzled. Examples of taxpayer-funded purchases include gambling, mortgage payments, liquor, lingerie, iPods, Xboxes, jewelry, Internet dating services, and Hawaiian vacations. In one extraordinary example, the Postal Service spent *$13,500* on one dinner at a Ruth's Chris Steakhouse, including "over 200 appetizers and over $3,000 of alcohol, including more than forty bottles of wine costing more than $50 each and brand-name liquor such as Courvoisier, Belvedere, and Johnny Walker Gold." The eighty-one guests consumed an average of $167 worth of food and drink apiece.
9. Federal agencies are delinquent on nearly 20 percent of employee travel charge cards, costing taxpayers *hundreds of millions of dollars* annually.
10. The Securities and Exchange Commission spent *$3.9 million* rearranging desks and offices at its Washington, D.C., headquarters.
11. The Pentagon recently spent *$998,798* shipping two 19-cent washers from South Carolina to Texas and *$293,451* sending an 89-cent washer from South Carolina to Florida.
12. *Over half of all farm subsidies* go to commercial farms, which report average household incomes of $200,000.
13. Health care fraud is estimated to cost taxpayers more than *$60 billion* annually.
14. A GAO audit found that ninety-five Pentagon weapons systems suffered from a combined *$295 billion* in cost overruns.
15. The refusal of many federal employees to fly coach costs taxpayers *$146 million* annually in flight upgrades.
16. Washington spent *$126 million* in 2009 to enhance the Kennedy family legacy in Massachusetts. Additionally, Senator John Kerry (D-Mass.) diverted $20 million from the 2010 defense budget to subsidize a new Edward M. Kennedy Institute.
17. Federal investigators have launched more than *twenty criminal fraud investigations* related to the TARP financial bailout.

18. Despite trillion-dollar deficits, there were 10,160 earmarks in 2008, which included *$200,000* for a tattoo removal program in Mission Hills, California; *$190,000* for the Buffalo Bill Historical Center in Cody, Wyoming; and *$75,000* for the Totally Teen Zone in Albany, Georgia.
19. The federal government owns more than *50,000 vacant homes.*
20. The Federal Communications Commission spent *$350,000* to sponsor NASCAR driver David Gilliland.
21. Members of Congress have spent *hundreds of thousands* of taxpayer dollars supplying their offices with popcorn machines, plasma televisions, DVD equipment, ionic air fresheners, camcorders, and signature machines—plus *$24,730* leasing a Lexus, *$1,434* on a digital camera, and *$84,000* on personalized calendars.
22. More than *$13 billion* in Iraq aid has been classified as wasted or stolen. Another *$7.8 billion* cannot be accounted for.
23. Fraud related to Hurricane Katrina spending is estimated to top *$2 billion.* In addition, debit cards provided to hurricane victims were used to pay for Caribbean vacations, NFL tickets, Dom Perignon champagne, "Girls Gone Wild" videos, and at least one sex change operation.
24. Auditors discovered that *900,000* of the 2.5 million recipients of emergency Katrina assistance provided false names, addresses, or Social Security numbers or submitted multiple applications.
25. Congress recently gave Alaska Airlines *$500,000* to paint a Chinook salmon on a Boeing 737.
26. The Transportation Department will subsidize up to *$2,000 per flight* for direct flights between Washington, D.C., and the small hometown of Congressman Hal Rogers (R-Ky.)—but only on Monday mornings and Friday evenings, when lawmakers, staff, and lobbyists usually fly. Rogers is a member of the Appropriations Committee, which writes the Transportation Department's budget.
27. Washington has spent *$3 billion* re-sanding beaches—even as this new sand washes back into the ocean.
28. A Department of Agriculture report concedes that much of the *$2.5 billion* in "stimulus" funding for broadband Internet will be wasted.
29. The Defense Department wasted *$100 million* on unused flight tickets and never bothered to collect refunds even though the tickets were refundable.
30. Washington spends *$60,000 per hour* shooting *Air Force One* photo-ops in front of national landmarks.
31. Over one recent 18-month period, Air Force and Navy personnel used government-funded credit cards to charge at least *$102,400* on admission to entertainment events, *$48,250* on gambling, *$69,300* on cruises, and *$73,950* on exotic dance clubs and prostitutes.
32. Members of Congress are set to pay themselves *$90 million* to increase their franked mailings for the 2010 election year.
33. Congress has ignored efficiency recommendations from the Department of Health and Human Services that would save *$9 billion* annually.
34. Taxpayers are funding paintings of high-ranking government officials at a cost of up to *$50,000 apiece*.
35. The state of Washington sent $1 food stamp checks to 250,000 households in order to raise state caseload figures and trigger *$43 million* in additional federal funds.
36. Suburban families are receiving large *farm subsidies for the grass in their backyards*—subsidies that many of these families never requested and do not want.

37. Congress appropriated *$20 million* for "commemoration of success" celebrations related to Iraq and Afghanistan.
38. Homeland Security employee purchases include 63-inch plasma TVs, iPods, and *$230* for a beer brewing kit.
39. Two drafting errors in the 2005 Deficit Reduction Act resulted in a *$2 billion* taxpayer cost.
40. North Ridgeville, Ohio, received *$800,000* in "stimulus" funds for a project that its mayor described as "a long way from the top priority."
41. The National Institutes of Health spends *$1.3 million* per month to rent a lab that it cannot use.
42. Congress recently spent *$2.4 billion* on ten new jets that the Pentagon insists it does not need and will not use.
43. Lawmakers diverted *$13 million* from Hurricane Katrina relief spending to build a museum celebrating the Army Corps of Engineers—the agency partially responsible for the failed levees that flooded New Orleans.
44. Medicare officials recently mailed *$50 million* in erroneous refunds to 230,000 Medicare recipients.
45. Audits showed *$34 billion* worth of Department of Homeland Security contracts contained significant waste, fraud, and abuse.
46. Washington recently spent *$1.8 million* to help build a private golf course in Atlanta, Georgia.
47. The Advanced Technology Program spends *$150 million* annually subsidizing private businesses; 40 percent of this funding goes to Fortune 500 companies.
48. Congressional investigators were able to receive *$55,000* in federal student loan funding for a fictional college they created to test the Department of Education.
49. The Conservation Reserve program pays farmers *$2 billion* annually not to farm their land.
50. The Commerce Department has lost *1,137 computers* since 2001, many containing Americans' personal data.

Questions to Consider

1. Look over the list. Which examples do you think are the most serious? Are there programs on the list that you think are, in fact, not wasteful?
2. Assume that in at least some of these cases, someone thought there was a good reason to fund the programs. Can you identify five such programs and craft an argument that could be used to support the programs?
3. Pick five programs you think are simply bad ideas. They are likely to be decisions made by elected officials. What steps would you take to end them?
4. Responding to some of these problems might require administrative changes. Can you pick one program on this list that you think you could improve through better public administration? What steps would you take to strengthen its administration to reduce waste?

Note

1. Excerpt from Brian Reidl, *50 Examples of Government Waste*, Heritage Foundation (October 6, 2009), http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste. The citations to the original sources can be found at the Heritage Foundation website. Emphasis is in the original.

CASE 3.3: ARE PRIVATE MARKETS BETTER THAN GOVERNMENT?

It's no secret that Americans like private markets better than they like government. In a 2014 Pew Research Center poll, 70 percent of Americans said they believed they were better off in a free-market system. Only in South Korea and Germany do citizens like markets more.

From environmental policy to health care, this basic finding has framed the critical decisions of government in recent years. If we want to take on a new policy challenge, citizens and policy experts seem to agree, it's better to trust the states than Washington. And the states should do as much as possible through private markets.

The strategy has launched some remarkable policy innovations. But most of the time, it hasn't worked out so well in practice.

Take the movement to reduce carbon emissions. In the 2000s, many states embarked on a revolutionary cap-and-trade strategy. They would set a cap on acceptable greenhouse gas levels, businesses would pay for the right to emit the gases, and the hidden hand of the market would reduce pollution by the largest amount at the lowest cost. By 2008, according to a count by the University of Michigan's Barry Rabe in the journal *Governance*, twenty-three states had joined the effort. It seemed a perfect solution. New markets developed, and regional consortia planned to reduce greenhouse gases by 10 percent or more within a few years.

But that perfect solution didn't last long. Rabe found that, within five years, more than half the states had walked away from their cap-and-trade commitment. The market-based alternative to command-and-control regulations evaporated as a state-based policy tool.

Then there's the marketplace system at the core of the Affordable Care Act. It's easy to forget that the Obama administration originally was trying to avoid using a Washington-driven hammer. Instead, the plan aimed to provide health insurance to everyone by encouraging the states to do the job—and having the states work through market-based insurance exchanges to make the policies available.

Relying on state-based markets seemed a logical step, both ideologically and pragmatically. It stood to minimize complaints about big government by pushing policy implementation into the private sector, and it echoed the Pew poll results. After all, there's scarcely a more popular refrain than the one that proclaims government should be run more like a private business. But as in the cap-and-trade example, this market-based strategy just didn't work well. State implementation proved wildly uneven. Federal policymakers found themselves without the results they sought. And everyone came away more convinced than ever that government couldn't solve problems like this, even though many of the problems were rooted in private-market failures.

By the end of 2015, thirty-eight states had declined to set up health care exchanges, leaving the federal government to step in and create them. Three states—Hawaii, Nevada, and Oregon—tried the exchange approach and backed out when enrollment was lower and costs were higher than expected. Some states, like Maryland and Washington, enthusiastically embraced the exchanges but fumbled the launch. Pressed by angry Republicans, who criticized the states' lack of accountability for federal funds, the Obama administration took back $200 million in grants it had made to states that had struggled to launch their exchanges.

Why did these efforts fail?

Part of the answer has to do with the partisan makeup of the statehouses. Republicans hold thirty-one of the fifty governorships, and many of the Republican governors came

to office touting free markets and smaller government. In most states, the champions of aggressive policy innovation are on the run. Fewer citizens in these conservative states believe that climate change is manmade, and that reduces the incentives for state-level action. The fumbled launch of the Affordable Care Act website eroded public support for health care reform. The appetite for strong state policy initiatives has gradually evaporated.

Moreover, as Rabe points out, managing the pollution market mechanisms turned out to be hard, and financially strapped states had a shrinking capacity to do the job well. That was even truer for the health exchanges, where some of the most ambitious states stumbled despite their aggressive efforts.

The fundamental flaw lies in two assumptions: that markets always work better than governments and that markets will run themselves if government gets out of the way. The first assumption is the stuff of fierce ideological debate, but the second is really a settled question. Markets just don't run themselves in delivering public goods, because most of the time they are being asked to do things they aren't used to doing. And because policymakers tend to assume that the markets will take care of themselves, they often don't build governmental capacity to steer the process. The reformers then end up running after problems as they develop down the line.

It's tempting to dance around the big battles over the size of government by assuming private markets can step in and fix everything. Too often, we end up abandoning the markets, disappointing the customers, and undermining everyone's confidence in leadership. There's no sidestepping the fact that government requires governing.

Questions to Consider

1. Consider the case for action through markets and through government. What are the pros and cons of each?
2. Government's critics often argue that government ought to be run more like the private sector. What lessons does this case teach about that argument?
3. Does reliance on private markets to achieve public purposes eliminate the need for a government role? What are the implications for government of relying more on the private sector for such missions?

Note: This case comes from my column in *Governing* magazine (February 2016), http://www.governing.com/columns/potomac-chronicle/gov-free-market-failures-government.html.

KEY CONCEPTS

administrative responsibility
administrative state
contracts
direct administration
direct tools
entitlements
federal grants
government-by-proxy approach
indirect tools
loan programs
red tape
regulations
special-purpose governments
tax expenditures
user fees

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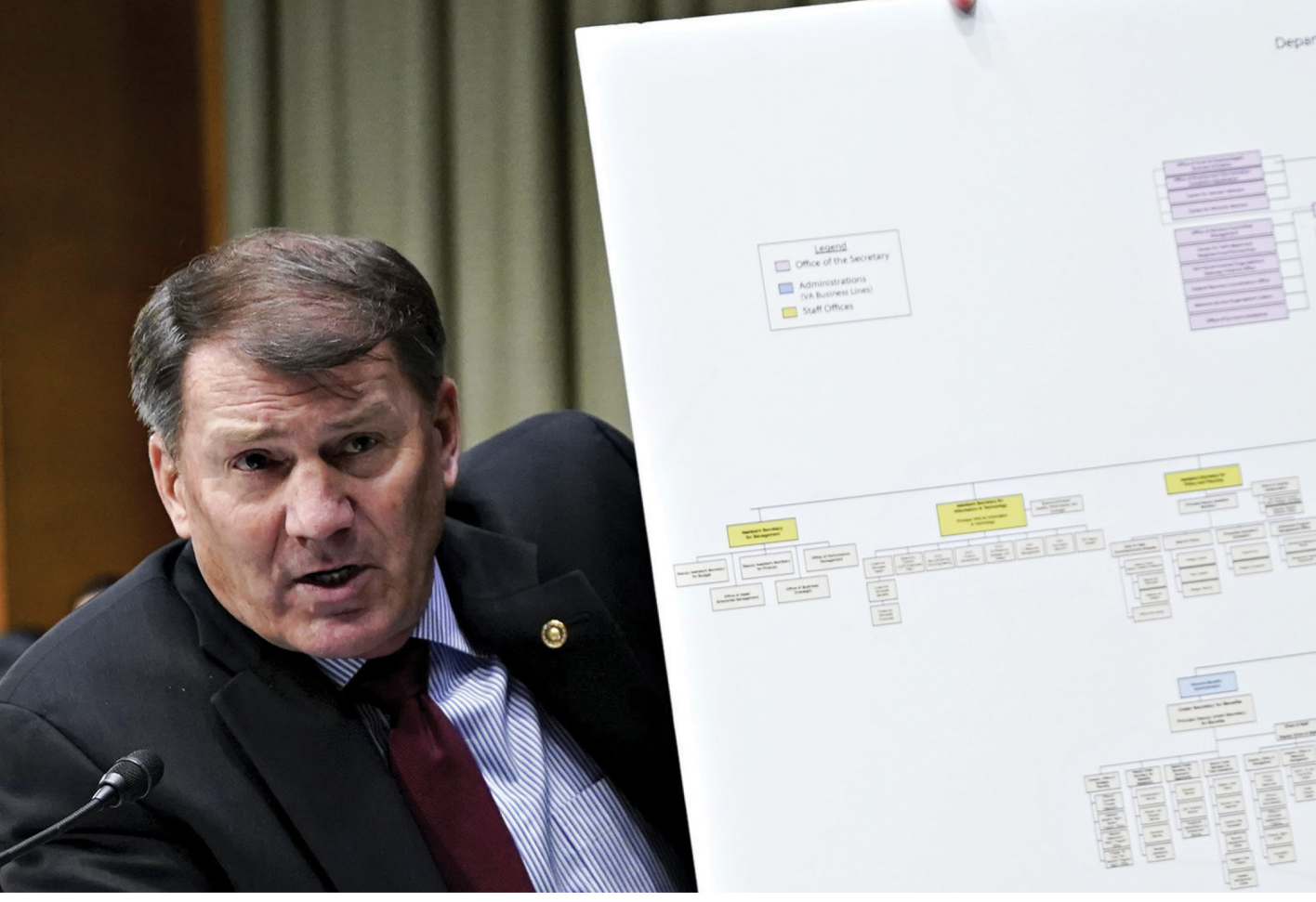
SUGGESTED WEBSITES

For research on how the federal government spends its money, the basic source is the federal budget, published by the Office of Management and Budget, **www.whitehouse.gov/omb**. OMB annually publishes two useful reports: *Analytical Perspectives*, which provides background information on issues such as federal taxing, spending, and lending programs, and *Historical Tables*, which provides long-term data on federal budget trends. Many of the key budget tables are available for download in Excel format.

In addition, the Congressional Budget Office, **www.cbo.gov**, assembles federal budget data and is especially useful for tracking trends in entitlement and discretionary spending and in federal government revenue.

The best source of information about trends in state and local government finances is the U.S. Census Bureau, **www.census.gov**. For international comparisons, the "statistics" portal at the Organization for Economic Co-operation and Development website, **www.oecd.org**, is valuable. OECD is an international organization that tracks the policy and financial issues facing nations around the world.



Senator Mike Rounds (R-S.D.) holds up a poster showing the organization of the federal government's Department of Veterans Affairs.

Source: Sarah Silbiger via Getty Images

4 WHAT IS PUBLIC ADMINISTRATION?

LEARNING OBJECTIVES

- Explore the origin of the term "public administration"
- Understand what makes public administration "public"
- Examine the study of public administration in the context of the "politics-administration dichotomy"
- Look at the deep historical debates that have shaped the study of public administration

For thousands of years, government experts have known that people and rats don't mix well together—but that the more people gathered in a town, the more rats moved in too. Lots of people produce lots of garbage, and rats like nothing more than piles of trash. Rats helped spread the plague in the Middle Ages and, now, many cities are struggling with a "rat renaissance." Rats are taking over whole neighborhoods in Chicago, Los Angeles, and Philadelphia. "Everywhere I go, rat populations are up," observed one scientist, Robert Corrigan.[1] New York's subway featured "Pizza Rat," who hauled off a large slice—only to bring the whole family for more.[2]

And here's where public administration comes in. Rats, needless to say, are not good for human neighborhoods. They are unsightly. They spread disease. And, unless controlled, they spread—fast. A litter of nine rat pups can create almost twelve thousand rats within a year. The better the environment—the more shelter and, especially, the more garbage—the more rats. Cities have tried lots of things to stop the spread of rats. Suffocation with dry ice hasn't worked well. Washington, D.C., has tried sterilizing rats, but with only limited success. It turns out that the best way to reduce the spread of rats is to do a better job picking up the trash.

In cities, for thousands of years, no bit of public administration has been more fundamental than picking up trash. Nothing speaks more to the role of government than to make sure that neighborhoods are safe. The ancient Romans in Pompeii even had a recycling program to reuse materials in new projects.

And that's the core of the issue: creating the organizational capacity for government to do the things that citizens want to have done. The organizations that do the work of public administration are known as *bureaucracies*. And the term has very deep roots.

THE ORIGINS OF "PUBLIC ADMINISTRATION"

The word *bureaucracy*, in fact, comes from fourteenth-century France. In the king's Chamber of Accounts, administrators placed their financial records on a brown woolen cloth, called *la bure,* which faced the king's auditors. The room came to be called "the bureau," and the way these officials did their work became known as the "bureaucracy." From the king's point of view, the most important thing was making sure that the financial records were correct and that no one was cheating, so "bureaucracy" quickly became connected with "accountability."

But it was a short step from the important principle of accountability to the dark meaning that "bureaucracy" has acquired since. In an 1836 novel, French author Honoré de Balzac characterized the bureaucracy as "a gigantic power manipulated by dwarfs," and as "that heavy curtain hung between the good to be done and him who commands it."[3] Bureaucracy is something we all love to hate—and it's something we can't live without. These tensions go back centuries.

There is a deep contradiction buried in this ageless debate.[4] On the one hand, bureaucracy often seems an instrument that cripples government. Civil servants, wrapped in red tape, are seen as inefficient, unresponsive, negative, bored, rude, and unhelpful to citizens seeking services. On the other hand, bureaucracy is feared for the power it concentrates. Officials are seen as super-efficient in gathering power and using it to impose their will on citizens. How can both be true? How can bureaucracy be so inefficient it can't accomplish much of anything but also be so powerful that it threatens our liberty? This is not only the central problem of bureaucracy in modern life; it's the ageless dilemma of bureaucracy itself.

At its core, the term *bureaucracy* has a neutral meaning. Indeed, bureaucracy is not even a *public*-sector term—it's a basic description for the organization and structure of complex organizations. Private companies are bureaucracies too. Apple and Microsoft, the American Red Cross and the American Cancer Society, the Sierra Club, the power company and Facebook all are bureaucracies. The oldest continuously functioning bureaucracy in the world is the Roman Catholic Church. (The New Testament records that after the ascension of Jesus, one of the first steps of the new church was to create a formal organization to carry on the work of its charismatic founder.) In this book, we will use *bureaucracy* to refer to complex public organizations: the formal, rational system of relations among persons vested with administrative authority to carry out public programs, and we will use it in its neutral sense: it's the way complex organizations are structured to get complex things done. In Chapter 5 we examine this interpretation of bureaucracy—and some of its alternatives—more fully.

However, even if the term *bureaucracy* itself is neutral, the negative meaning is never far away, and that perception shapes the politics of public administration. As presidential candidates, both Jimmy Carter and Ronald Reagan bashed the bureaucracy. Bill Clinton promised to reinvent the bureaucracy. Both presidents Bush said they would reduce government, even though they actually increased it. Barack Obama was famous for his pledge of change, and Donald Trump's "drain the swamp" promise was aimed squarely at reducing bureaucratic power. Joe Biden came to office pledging to restore what Trump had cut. Candidates at all levels of government—federal, state, and local—invariably run for office saying they have what it takes to fix what ails government by waging war against bureaucracy.

The negative image of bureaucracy is universal. A prime minister from another country once complained, "Creating the appearance of work, taking cover behind hollow rhetoric, bureaucracy may hold back the improvement of the economic mechanism, dampen independence and initiative, and erect barriers to innovation." A second said, "Bureaucratism remains a serious problem in the political life of our party and state. The overstaffing, overlapping and unwieldiness of Government organs, confusion of their responsibilities and buck-passing are . . . major causes of bureaucratism. We must therefore reform these organs from top to bottom." The first speaker was from the former Soviet Union; the second, an acting prime minister of the

People's Republic of China.[5] There are two universal truths about "bureaucracy": everyone has one, and no one likes it.[6]

Why, then, don't we just abolish bureaucracy? The answer is simple: government needs bureaucracy to deliver complex goods and services. No matter how much they complain about government, citizens expect that the work they care about, like picking up the trash, *will* get done. We might not much like paying taxes or dealing with rules, but we usually like much of the government we get, and we resist efforts to cut back on the services we count on.[7] Americans want bureaucracy cut—except for *their* bureaucracy and the programs that serve *them*.

THE MEANING OF PUBLIC ADMINISTRATION

Despite the long-standing importance of **public administration**, analysts and scholars have never agreed on a common definition of the term.[8] In a system that includes delivering the mail, plowing the roads, licensing motor vehicles, launching spacecraft to Mars, dispatching Peace Corps volunteers all over the world, helping citizens recover from hurricanes, and tracking dangerous storms with satellites, a concise definition is impossible.

We might be tempted to solve the problem by breaking the term in half, first defining *administration* and then *public*, but that doesn't work. Scholars have sometimes used phrases like *administration is executing*, but that phrase doesn't solve the problem. Other writers characterize administration as cooperative human action that has a high degree of rationality, which maximizes the realization of certain goals.[9] But this formulation could include people who use text messages to create a flash mob. Still other writers, operating at a less abstract level, say that administration is concerned with "how, not what," with "means, not ends," with "process, not substance," with "efficiency, not other values." But this approach only generates more debates.

A better starting point for understanding the meaning of *public* administration is to distinguish it from *private* administration. Let's begin by evaluating the argument that administration is administration wherever it exists, whether in the public or the private sector. Next, we will examine policy execution versus **policymaking** (or policy formulation). This separates the administrative processes, in which government administration shares similarities with private administration, from the distinctly public nature of governmental decisions. Finally, we will emphasize the ways that administrative responsibility in public administration differs in both form and content from its analog in private enterprises. Of central importance to public bureaucracies, administrative responsibility defines the very essence of our puzzle—and of this book.

Public versus Private Administration

What makes public administration *public*? It is the administration of *governmental* affairs. Yet the term also includes *administration*, an activity essential to all large organizations. For years, experts have debated the questions: Are the basic features of governmental administration the same as for other types of administration? Is it simply a subset of more generic management issues? Or does public administration have special elements that require separate attention? Several schools of thought seek to answer these questions.

A generic approach to administration begins with sociologists who specialize in **organizational theory**, along with many scholars of management from business schools. At the most fundamental level, some organizational theorists contend that administration is administration, whatever its setting, and that the problems of organizing people, leading them, and supplying them with resources to do their jobs are always the same.[10] More practically oriented thinkers have argued that that "political conflict is at the center of management life"; that management is always fundamentally about managing that conflict, regardless of its organizational setting; and that such conflict management is the core of administration, public and private.[11] Most broadly, Barry Bozeman has argued that "all organizations are public because public authority affects some of the behavior or processes of all organizations." Thus, organizations are neither purely public nor purely private; but all organizations, Bozeman contends, share public and private features independent of their legal or formal status.[12] In fact, a leading British political scientist, William A. Robson, has noted that "modern American theory is heavily committed to the view that one can discuss every kind of administration in a generalized manner," by seeking to understand the fundamental features of administration.[13]

Over time, the distinction between the public and private sectors has gradually become more blurred. As Dwight Waldo pointed out in 1980, "In the United States—and I believe much more widely—there is a movement away from a sharp distinction between *public* and *private*, and *toward* a blurring and mingling of the two."[14] As government becomes more involved in business, and as more business organizations are incorporated into the provision of public services, such blurring is inevitable. But that, of course, only complicates our central question: is there something distinctly *public* about public administration?

One important test lies in private-sector managers who move into top public-sector positions. They have universally found large, crucial differences between the two sectors.[15] Scholars have emphasized two important distinctions. First, and most crucially, is the *what*: public organizations do the public's business—they administer law. Second, there is the *how*: compared with private companies, public organizations use fundamentally different processes and work in very different environments.[16]

The Critical Role of Public Authority

The most fundamental distinction between public and private organizations is the *rule of law*. In general, public officials must do what the law requires, and they cannot do anything that the law does not require of them. In the private sector, the situation is reversed. Private officials can choose to do what they like, as long as the law does not forbid it. Every action taken by a public administrator ultimately "must be traceable to a legal grant of authority; those of private firms need not be," as Harold F. Gortner, Julianne Mahler, and Jeanne Bell Nicholson argue. As they put it,

> Managers of private firms can generally take any action, establish any policy, or use any means of operation not specifically prohibited. Public managers, in contrast, may not do so in the absence of specific grants of authority. Private organizations can act unless proscribed or forbidden; public ones may act *only* if the authority is granted. As a veteran public manager remarked . . . "For the private organization, it is a matter of 'go until I say stop'; but to the public manager the message is 'don't go unless I tell you to.'"[17]

What makes public administration "public" is the job—implementing the law—and the process—doing so within the rule of law. Faithful execution of these laws is the highest calling of public administrators. It is the core of administrative responsibility.

Public management scholar Steven Kelman points to a fundamental difference between public and private management. All organizations, he says, must balance goals and constraints. Goals are the good things organizations try to do—the value they produce, the objectives they seek to accomplish. Constraints are the negative forces they must work around and the rules they must obey in pursuing their goals. Ideally, organizations would find the right balance that ensures good results and strong accountability. For private organizations, the balance leans toward the goals and, with fewer constraints, free-wheeling tactics can sometimes lead to financial disaster, as the 2008 financial crisis showed. With additional constraints, government sometimes struggles to accomplish the objectives that policymakers set for it. Public and private organizations both share the need to balance goals and constraints, but the forces underlying their operations tend to push them in different directions. That dynamic, in turn, frames very different problems for their leaders and for the people they serve.[18]

Processes That Make Public Administration Public

Although these differences are not fixed in law, there typically are important distinctions between public and private organizational processes.[19] The most fundamental distinctions include:

- *Career service.* Whereas private-sector organizations tend to be led by individuals who devote their careers to the organization, American public bureaucracies tend to be headed by relative amateurs whose tenure is of short duration. Assistant secretaries in federal departments, for example, typically serve only eighteen months and spend much of their time in office simply learning their jobs.
- *The bottom line.* The market provides the private sector metrics for testing its performance. Few public-sector organizations, by contrast, have any "direct way of evaluating their outputs in relation to the cost of the inputs used to make them," as Anthony Downs puts it.[20] For public administrators, compliance with the law is the ultimate **performance measure**, but laws often are vague—and compliance with the law isn't the same as measuring outcomes.
- *Competing standards.* Whereas efficiency is the ultimate private standard, public administrators are expected to manage both efficiently and equitably. These two standards often compete: what is fair often is not the most efficient, and vice versa. As economist Arthur Okun notes, the balance between equality and efficiency is "the big tradeoff."[21]
- *Public scrutiny.* Far more than in the private sector, public administrators work under public scrutiny. Public administrators work under laws whose very titles, such as "Government in the Sunshine," underline the role of public **oversight**, covering both

internal and external operations. This "goldfish-bowl effect" is in stark contrast with the much more limited public scrutiny that private organizations receive. Dealing with the media has long been a feature of public administrative activity.[22]

- *Persuasion.* In the private sector, managers tend to manage by authority. They give orders and expect them to be obeyed. In the public sector, by contrast, administration depends far more on persuasion and the balancing of conflicting political demands.
- *Scope of authority.* Government officials are legally required to administer the law—and the federal **Antideficiency Act** explicitly forbids officials from spending money on any purpose not explicitly *authorized* by law.[23] (This is what forces the government to shut down if Congress fails to pass a budget on time. Government officials may not spend any money, even to turn on the lights or use their computers, if Congress has not approved it.) In the private sector, by contrast, officials are allowed to do anything not explicitly *forbidden* by law.[24]
- *Oversight.* Public administrators must answer not only to their superiors but also to legislators and the courts. Administrators must appear before legislative committees to explain their activities and must answer complaints raised in court. If the private sector has one bottom line—the annual or quarterly financial statement—the public sector has several: accountability to higher-level administrative officials, to the chief executive, to legislators, to the courts, and ultimately to the public.

We tend sometimes to separate public and private activities by the profit motive. To be sure, this is an important difference, but it does not clearly distinguish the two sectors. Private organizations sometimes put other goals before profitmaking. Some nongovernmental organizations are **nonprofit** and exist to advance social agendas. On the other hand, some public organizations, such as the U.S. Postal Service, simulate the market by imposing fees and charges and (try to) break even. In fact, reformers have tried to make public organizations more efficient by pushing more market-based strategies on public organizations.

Most fundamentally, however, public organizations are public because their job is to administer the law and because their authority springs from the law. Public organizations typically operate in a different environment from that of private organizations. Wallace Sayre once wryly suggested that "business and public administration are alike only in all unimportant respects."[25] Public administration is *public* because it does the public's business, as defined in laws passed on behalf of the people.

Policy Execution versus Policy Formation

From managing computer systems to processing forms, however, the basic work in the public and private sectors often is similar. That is one reason why government agencies often find it so tempting to contract their work out to private companies. But it is the nature of public-sector goals that most profoundly separates public and private-sector work. Let's look first at the execution of policy.

Policy Execution

Consider what it means when we say that the government has "adopted" a policy. In our system, this normally means that the elected policymakers have enacted a law forbidding, directing, or permitting members of the society to behave in specified ways. Then what happens? The law is merely a text printed on paper. The task of public administration is to translate the print in statute books into the behavior of members of society—individuals, groups, organizations, and businesses. The job is to convert words into action, form into substance.

Execution of policy is a complex task. It means expanding some individuals' opportunities by extending governmental services and protections to them (through civil rights standards, for example). It means regulating some individuals' freedom (by drawing taxes from them), discovering and prosecuting those who engage in forbidden behaviors (by arresting speeders), granting or denying permission to engage in certain activities (for example, licensing radio and television stations and selling prescription drugs), and manipulating the environment of subsidies and interest rates (through subsidies of home mortgages, for example). The government administers some enterprises itself, either as monopolies or as competitors of private enterprises: local libraries and the Social Security Administration function largely as monopolies; the U.S. Postal Service and the Tennessee Valley Authority compete with private companies. Reformers have increasingly sought to bring private competition into local schools, and public schools increasingly have to compete with private schools and parents schooling their children at home. The government also administers the defense establishment and foreign affairs, including hundreds of outposts over the world. The range is immense, and the pattern mixes old and new concerns.

Authorizing these governmental activities, giving policy direction, and providing the necessary resources are among the central tasks of the elective legislature and chief executive. But this merely permits something to happen; it does not *make* something happen. Administration translates paper declarations of intent into reality. It shapes the behavior of citizens to match policy goals and delivers the benefits promised in legislation.

Such administration cannot be taken for granted. Public policies, no matter how bold or innovative, are worthless if government cannot carry them out. When Hurricane Katrina submerged New Orleans in 2005, official governmental policy was to clear: provide help quickly and effectively. The government failed at first, however, not because its officials did not want to help but because executing the policy proved tremendously complex. Five years later, much of the Gulf Coast was under assault from BP's oil spill. Everyone wanted the oil spill to stop—that was the clear governmental policy—but it took months to figure out how. The Obama administration desperately wanted its health care reform to work, but when its website went live on October 1, 2013, the site was so flawed that almost no one could sign up for insurance. *Making* policy does not ensure that policies produce results.

Policy Formation

Administration's second role is to help decision-makers *make* policy. Its role plays out at two stages: (1) before the legislature and chief executive have made the policy decisions for which they're responsible and (2) after elected officials have enacted statutes or issued executive orders, and then delegated to administrators the job of interpreting these actions. In the first stage,

proposals for new laws flow from many sources, and the special expertise of administrative agencies makes them prime players. Government agencies possess much factual information about their specific field, retain an expert staff to analyze data, discover the defects in existing statutes after applying them, and exhibit devotion to the program's objectives. Often, though not always, the agency is trusted as a less biased source of information than other available sources, such as organized interest groups.

In recent years, two developments have enhanced administrators' role in this early stage of policymaking. First, as policy has become ever more technical, the specialized competence of administrative staffs has become ever more important. Regulating oil wells and building bridges, for example, must be guided by sophisticated information, analysis, and advice from engineers. Expert knowledge and advice are essential to policy development for national defense weaponry, space exploration, public health, research and development, education, poverty, urban renewal, energy, air and water pollution, police, fire, sanitation, water, and a host of other program areas. Within government, most experts are in the administrative agencies. Second, the role of the chief executive—president, governor, mayor, county executive—as an agenda setter has become more important. Agency experts are strategically situated to initiate and counsel on policy proposals in the search for the executive's support. And to complete the circle, the executive's need for expert help has grown as public policy problems have become increasingly technical.

The second stage of the policy formation process occurs after the laws are on the books. In most cases, statutes are fuzzy, and that gives executives substantial discretion in deciding just what the law means and how best to pursue it. There are several reasons for such fuzziness. In tackling a new problem, the legislature may have only a general sense of what it wants. In a field in which technology or other features change rapidly, the statute must give agencies flexibility to keep up with changes, like the rapid evolution of internet systems. (There was a time when the computer code for a rocket launch was the most complicated on Earth—but the smartphone in your pocket is more powerful than the computer that put a man on the moon.) Some subjects, such as licensing liquor stores and regulating Uber, simply do not lend themselves to the specification of criteria that would confine administrative discretion. Statutes often do specify some conditions (for example, requirements that liquor store owners must not have criminal records and that liquor stores not be located near schools), but they offer few guidelines about how to choose among the numerous applicants who meet these simple criteria. In addition, ingenious entrepreneurs can often generate clever ways of evading any highly specific prohibitions in a statute. Congress broadly forbids "unfair methods of competition . . . and unfair or deceptive acts in commerce," leaving the administrative agency and the courts to refine those vague terms *unfair* and *deceptive*.

At times, the legislative process is so stormy and full of crosscurrents that the resulting statutes incorporate contradictory policy guidelines, leaving agency managers to use their own judgment in reconciling the contradictions. Sometimes, too, a compromise leads to legislative language that papers over disagreement, but that gives administrators a wide range for interpretation. Most agencies, furthermore, administer many statutes passed at different times and mirroring different legislative preferences, leaving administrators to reconcile the accumulated

instructions. Finally, the legislature may not appropriate sufficient funds to enable an agency to carry out a program as enacted. Unless the legislature itself gives specific direction, the agency must then decide whether to spread the money thinly or choose which of its objectives it will pursue with vigor and which it will slight.

In short, the power of public administration rests in its expertise and discretion, both about how best to shape policy and then how best to execute it.

The Politics-Administration Dichotomy

When scholars studied public administration early in the twentieth century, they separated policy—the political work of shaping public decisions—from administration—the detailed work of carrying them out. As we saw in Chapter 2, this dichotomy evolved from the goal of defining a distinctive field of study and, even more so, from efforts to reform government by rooting out pernicious political corruption. They believed that creating a neutral realm for administration, protected by civil service laws and governed by a drive for efficiency, would dry up the patronage resources of political machines and leave policymaking organs of government more directly accountable to the people.

Today, the dual goals of ensuring a nonpartisan body of civil servants remain unchanged: loyal service to officials from different political parties and the achievement of efficient administration. The obvious fact that administrative staffs share in policy formation—as well as the fuzzy line between policy and administration—has led many students to reject the politics-administration dichotomy. Analysts have tried to reestablish the distinction by forbidding administrators from participating in political activities, but that line may waver. Civil servants need to be respectful of the policy goals of elected officials and sensitive to the political implications of their policy suggestions. But civil servants have other obligations as well—to long-range policy goals, continuity and consistency, effective administration, and resistance to corruption. Furthermore, they must balance an administration's preferences against legislative and judicial mandates.

Civil servants have responsibilities different from those of politically elected officials. Policy and administration are certainly intertwined, but the motivations and behaviors of policymakers and public administrators are very different. Separating them is a core issue of public administration.

Administrative Responsibility

Every complex organization has some system for holding subordinates accountable to their superiors. Nowhere is the system so complex and confining as in government.[26] Statutes and regulations specify elaborate procedures that seriously limit administrators' discretionary authority. Legislative committees call administrators to testify about complaints that have arisen on the programs they manage. Members of legislative staffs closely monitor administrative actions in agencies of interest to their superiors. Budget offices typically review proposed regulations and information-gathering proposals in addition to reviewing financial requests and setting personnel ceilings.

From the career administrators' perspective, this is a formidable control system. Yet as we saw earlier, administrative responsibility goes beyond these external controls on behavior. Administrators develop internal norms that shape what is—and what isn't—acceptable. First, knowing that they serve in government, they must be sensitive to the legitimate roles of other parts of the government, including institutions charged with legal control of their behavior. Second, they have a loyalty to their agencies and the programs entrusted to them. Third, in a civil service now populated by professional experts, they have professional standards and want to be recognized by their fellow professionals outside the government. All these commitments shape administrative responsibility, even though at times they may not all point in the same direction.[27]

That leads to a fundamental problem of accountability. External controls on bureaucracy often lead to rules, procedures, and red tape. Internal controls can replace external oversight, but that requires enhanced trust between the political and the civil service strata of government. And that, in turn, sets up some of the most fundamental debates about the study of public administration.

Now, to be sure, the debate about the differences between public and private administration sometimes get overblown. As we shall see later in this book, public administration is relying far more on private partners for the administration of governmental programs. In the private sector, public policies create limits on hiring and firing, and companies sometimes push short-term profits to the side in pursuit of longer-term relationships with suppliers and customers. Moreover, the debate sometimes gets caught in fierce ideological battles that have more to do with trust in government than fundamental analytical differences. There is often more heat than light in these debates. But at the core, the light is useful: it helps illuminate those features that lie at the core of public administration—and of the important issues we examine in this book.

THE STUDY OF PUBLIC ADMINISTRATION

How, then, should we think about "public administration"?[28] Dwight Waldo suggests that we face a difficult task. He points out that public administration has roots deep in historic cross-currents, including the political ideas of the small Greek city-state (the *polis*) and the large-scale administration of the Roman Empire, both of which helped shape the American system.[29]

One way of addressing this task is to suggest that administration and policy (or politics) are separate spheres. Woodrow Wilson and Frank J. Goodnow, writing in the late nineteenth and early twentieth centuries, took this view.[30] Nicholas Henry identifies 1900–1926 as the period when the politics-administration dichotomy reigned. He then traces later periods: 1927–1937, when students affirmed the existence of clear principles of public administration; 1938–1950, marked by rejection of the politics-administration dichotomy and loss of confidence in principles; the reaction of 1950–1970, years of reorientation to public administration as political science; overlapping and contradicting that reorientation, a 1956–1970 emphasis on management, often borrowing from business management, together with the rise of public policy studies (focused on effective achievement of policy objectives); and, finally, the post-1970 reversion to a specific focus on public administration. That work is often lodged in distinct schools

of public administration that are hospitable to management methods but are sensitive to the public-interest commitment of administrators of governmental affairs.[31]

In our study, we need to confront three questions in trying to frame a general approach to the field. First, does public administration have meaning apart from its historical context? Second, does it have meaning regardless of place, circumstance, and level of government? Third, if we make even limited generalizations, how shall we proceed? To such fundamental questions, we must offer perplexing answers:

1. Public administration is timeless but is time-bound.[32]
2. Public administration is universal but is also culture-bound and varies with situations.
3. Public administration is complex but is intelligible only by a simplified model or a step-by-step combination of such models.

We consider the first two puzzles together, because time and space are related variables.

Public Administration in Time

Public administration has a longer history and a wider geographic range than almost any other aspect of government. It is far older than American government—it has been the instrument of ancient empires, monarchies, democracies, and dictatorships, in both developed and developing countries. There could have been no Roman Empire without the creation of an effective system of tying Rome's provinces to the capital. Carl J. Friedrich has cogently argued that the achievement of representative government in Western Europe depended on the prior development of effective bureaucracies by undemocratic regimes.[33] Indeed, revolutions that seek to transform the structure of political authority also struggle to control the bureaucracy.

In the United States, public administration received scant discussion from the nation's founders for decades after the writing of the Constitution. As he traveled the United States in 1835, Alexis de Tocqueville was amazed at the neglect of the subject in the young nation, compared with what he experienced in his native France:

> The public administration is, so to speak, oral and traditional. But little is committed to writing and that little is soon wafted away forever, like the leaves of the Sibyl, by the smallest breeze. . . . The instability of administration has penetrated into the habits of the people . . . and no one cares for what occurred before his time: no methodical system is pursued, no archives are formed, and no documents are brought together when it would be very easy to do so. . . . Nevertheless, the art of administration is undoubtedly a science, and no science can be improved if the discoveries and observations of successive generations are not connected together in the order in which they occur. . . . But the persons who conduct the administration in America can seldom afford any instruction to one another. . . . Democracy, pushed to its furthest limits, is therefore prejudicial to the art of government; and for this reason it is better adapted to a people already versed in the conduct of administration than to a nation that is uninitiated in public affairs.[34]

To deal with these issues, Woodrow Wilson wrote that "the poisonous atmosphere of city government, the crooked secrets of state administration, the confusion, sinecurism, and corruption ever and again discovered in the bureau at Washington forbid us to believe that any clear conceptions of what constitutes good administration are as yet very widely current in the United States."[35] Noting that "the functions of government are every day becoming more complex and difficult" and "are also vastly multiplying in number," Wilson pleaded in his 1887 essay for "a science of administration which shall seek to straighten the paths of government, to make its business less unbusinesslike, to strengthen and purify its organization, and to crown its duties with dutifulness." Such a science, he noted, existed on the European continent, especially in Prussian and French practice. He anticipated that comparative study would yield "one rule of good administration for all governments alike. So far as administrative functions are concerned, all governments have a strong structural likeness; more than that, if they are to be uniformly useful and efficient, they must have a strong structural likeness."

From one point of view, then, public administration has universal elements, independent of time, place, and political system. Those who serve in any public bureaucracy must be selected, paid, given specific assignments, controlled, disciplined when necessary, and so on. To pay them and to support other governmental activities (at the least, providing for military forces and construction of roads), a revenue system must be devised, the receipts allocated by some kind of budgetary system, and accounting and other recordkeeping methods worked out.

To say that there are such universal elements implies that governments everywhere can accumulate experience, and that this constitutes a reservoir on which governments can draw to avoid repeating mistakes. As Wilson stated, "the object of administrative study is to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundations laid deep in stable principle." However, despite expectations that more than a century of public administration study should by now have yielded stable principles, that has not yet happened.

Wilson based his analysis on a perception of administration as a neutral instrument, distinct from policy, politics, and particular regimes. Such a perception seemed essential to define a distinct field of study, separate from the study of policy and politics. It may also have sprung from the **neutrality doctrine** of civil service reformers, who had succeeded in getting the Pendleton Civil Service Act passed just four years before Wilson's essay appeared in the 1887 volume of *Political Science Quarterly.* But it was an especially critical assumption for Wilson's thesis that "nowhere else in the whole field of politics, it would seem, can we make use of the historical, comparative method more safely than in this province of administration." That is, we can learn administration from the Prussian and French (Napoleonic) autocracies without being infected by their antidemocratic political principles.

Wilson's line of argument framed two contradictory themes. One was that administration must be fitted to the particular nation's political ideas and constitutional system. The science of administration, Wilson wrote,

> is not of our making; it is a foreign science, speaking very little of the language of English or American principles. . . . It has been developed by French and German professors, and is consequently in all parts adapted to the needs of a compact state, and

> made to fit highly centralized forms of government. . . . If we would employ it, we must Americanize it, and that not formally, in language merely, but radically, in thought, principle, and aim as well. It must learn our constitutions by heart; must get the bureaucratic fever out of its veins; must inhale much free American air.

Wilson advanced a second theme that blurs the distinction he made elsewhere between policy and administration. He contended that the

> lines of demarcation, setting apart administrative from nonadministrative functions . . . run up hill and down dale, over dizzy heights of distinction and through dense jungles of statutory enactment, hither and thither around "ifs" and "buts," "whens," and "however," until they become altogether lost to the common eye.

Wilson suggested "some roughly definite criteria": "public administration is detailed and systematic execution of public law," "every particular application of general law," "the detailed execution" of "the broad plans of governmental action," the "special means" as distinguished from the "general plans." Yet he went on to plead for the vesting of "large powers and unhampered discretion" as the indispensable conditions of administrative responsibility.

Here, then, are Wilson's basic contradictions: he contends that public administration needs to be interpreted in the light of a particular country's political ideas and form of government, but at the same time he sees it as a neutral instrument. He seeks a goal of "one rule of good administration for all governments alike," but he notes that different settings can produce different problems. He explains that administrators have large powers and great discretion, but he says that the administrative cannot readily be distinguished from the nonadministrative aspects of government.

Much of the literature on administration since Wilson's time has struggled with the same contradictions with which he struggled. Each of the positions he embraced has just a piece of the whole truth. Several problems are common to all or most public bureaucracies. Most of these issues flow from a simple question, which Wilson laid out: how can government do things "with the utmost possible efficiency and at the least possible cost either of money or of energy"? Yet there are also problems, some of them among the most critical for administration, that require different criteria and different answers in dissimilar social and political systems, at the several stages of national development, and even in the individual agencies of a single government.

Western models have not proved good matches for understanding bureaucracy in non-Western political systems. And when developing countries have looked to the West for models, they have struggled to choose which ones to follow. A substantial comparative administration movement appeared in the 1960s, but the movement virtually evaporated until the global public management revolution that began in the late 1980s helped to rejuvenate it. Time and space are interlinked in the recent and growing literature on the history of governmental administration.[36] Moreover, as Christopher Pollitt argues, the deep traditions of behavior and culture have a powerful influence over administrative action. The pace of social change has accelerated around the world, and "this makes considerations of time and of the past even *more* important, not less so."[37] We need to understand where administration comes from to understand how the past shapes the way we think about the present and future.

Complexity and Simplicity

Any real organizational system is extremely complex, and it is therefore impossible to describe any such system fully. It might appear to be a reasonable assumption that the main features of the system can be described—for example, by a single model that simplifies *total* reality to clarify *essential* reality. Even this assumption is wrong, however, for three reasons.

First, the **complexity** of any large-scale organization is not a puzzle that a single key will unlock. Instead, there are so many ways of looking at an organization that no single model can suffice as a model, as can be seen from the following list of complicating factors[38]:

- *Interconnections of policymaking and execution*. An organization (as we have seen) both shapes policy and executes it, and they intertwine in ways that are sometimes both supportive and awkward.
- *Coordination*. An organization is a way of both dividing up and coordinating work.
- *Relationships of power*. An organization is both a formal, prescribed structure of relationships among offices and organization units and an arena in which ambitious persons and units work to expand or at least maintain their status and power.
- *Floating in the seas of time.* An organization both persists over time despite changes in its personnel (complete change in the case of long-lived organizations) and at any single point in time contains a particular group of individuals, each with a special set of psychological needs and frustrations.
- *Top-down and bottom-up*. An organization is both a top-down system of authority, conformity, and compliance and a bottom-up system for the flow to the top of innovative ideas, proposed solutions to problems, claims on resources, and reports of trouble signs in program execution and content.
- *Information.* An organization is an information generation system, a storage and retrieval file, and a communication network, subject to overloads of information, misreading of signals, and supplementations and wire crossing by informal grapevines.
- *Headquarters and field.* An organization usually includes both a headquarters staff and a far-flung field service, the former organized by functions and the latter by geographical areas—a feature that hinders their effective linkage.
- *Values.* An organization's decision-making process must embrace the broad choices in which the personal value preferences and educated guesses of officials play a large part. It must provide for other major choices for which quantified data and other scientific evidence can clarify the options and reduce the role of mere hunches, and it must program the narrow choices capable of routine handling by clerks and automatic data-processing machines.
- *Inside and outside.* An organization looks both inward and outward, having to maintain internal effectiveness and adapt to the external environment in which it

encounters the pressures of other organizations, temporary crises of the society and the economy, occasional wrenching change, and the often poorly articulated needs of the customers of its service.

- *Diversity, equity, and inclusion.* An important element in improving customer service is ensuring diversity, equity, and inclusion in the connections that government makes with the people. "Citizens deserve a seamless, secure customer experience when they interact with our government," explained Federal Chief Information Officer Clare Martoran. "Users from all walks of life, with all types of abilities, have a right to be able to use a federal website to apply for benefits, manage a claim or contact customer support," she continued.[39]
- *Physical and organic models.* An organization is sometimes compared to a physical system such as a machine, and sometimes to an organic biological system such as that of an animal or a living plant.
- *Success.* It can be judged successful if it simply survives, or it can be so judged only if it achieves the purpose that justifies its existence.

Second, it is hard to produce a single model because most writers on organizations have sought to describe organization in the abstract. Realities are often far more complex, and theorizing has often become disconnected from concrete experience.[40]

Third, organizational theorists do not agree on a single theory or model. Theories and models of organization abound. Each one usually seeks to define, in its own way, the essence of organizations but, in fact, each theory tends to focus on a limited number of organizational characteristics. The complexity of an organization can be accurately portrayed only by a combination of the partial truths that most models have expressed. We can imagine each model's bit of truth being mapped on a transparent sheet of paper; when one is placed on top of another, the series of overlays comes closer to the real organization than any single sheet does.[41]

In Chapter 5, we move from this foundation—the nature of public administration—to explore the basic building blocks of organization theory.

CASE 4.1: THE ADMINISTRATIVE STATE: ENFORCEMENT OF SPEEDING LAWS AND POLICE DISCRETION

Attention, motorists! Driving through the East Coast? You might want to check out a website sponsored by the National Motorists Association (NMA), called the National Speed Trap Exchange, at www.speedtrap.org. Here's what its writers had to say about a particularly notorious stretch of the Interstate 83 highway near York, Pennsylvania:

> The Interstate goes from 65 to 55 mph but with absolutely no change in the highway construction, condition, or population densities as it's out in the country. It just so

> happens that just off the Loganville exit is a state police barracks which makes it awful convenient for them to work this stretch of road.[1]

A reader chimes in with her two cents below that entry:

> My mother lives in PA, and I have seen troopers measuring speed in that area—especially where that little cut-out is on the southbound hill of I-83. Troopers in PA have to use stationary radar, so they have learned to be quite creative with their hiding places.

Even if we'd like to spare this person a ticket on her way to her mother's house, doesn't it seem a little, well, *dishonest* to share this kind of information? Isn't the speed limit the speed limit—in other words, the law—after all?

Ethically challenged? Maybe. But, in fact, the idea that the speed limit is whatever the officially posted limit sign says it is misses the point. The posted limit may be the official maximum, but everyone knows that these posted limits often have little meaning in reality, a fact that the NMA apparently both recognizes and embraces.

Sometimes, traffic moves along at barely a crawl. Congestion, poor road engineering, and the unpredictable behavior of drivers can limit speeds. On clogged roads, the posted limit can seem a distant dream instead of a realistic limit. On wide-open roads, in contrast, many drivers have discovered that if they drive at the posted limit, most other traffic goes flying past them.

So what is the real speed limit? It's the speed at which one can safely drive without being pulled over by the police or a state trooper and issued a citation. That is, it's the speed that the police choose to enforce. On an interstate highway, the conventional wisdom is that a driver can drive at 5, or perhaps 7, miles per hour over the posted limit with little fear of being stopped and ticketed.

Does that mean that if the posted speed is 65 mph, the speed limit is *really* about 72 mph? Not quite. If a driver is clocked by radar at going 71 in a 65-mph zone, the fact that the driver's speed is under the conventional-wisdom limit would be no defense in traffic court. Police officers can—and do—issue citations for driving at that speed. But if the police stopped everyone going just a bit over the posted limit, they would spend all their days and nights stopping just about everyone. Aggressive speeders might then get a free pass, because the police would be so busy stopping people driving just a few miles over the limit that they might not catch the super-speeders, drunk drivers, and others who are reckless on the road. As a result, the highway death toll might shoot up. In short, the real speed limit is determined less by what the posted limit is than by how the police choose to enforce it.

It is one thing for elected officials to pass a law, create a policy (such as a speed limit), and post it for all to see. It is quite another to translate that policy into action. When it comes to the speed limit, how that process works depends on the discretion that police officers and state troopers exercise as they patrol the nation's highways. The police invest a great deal of time in deciding how best to exercise that discretion: where most effectively to concentrate their energy, according to their best judgment about how to save the most lives, improve traffic flow, and (sometimes) increase the flow of cash to the local government.

Governmental policy on the control of speeding depends not only on how the police translate the official limits into their operating plans but also on how individual police officers, often operating alone in cars with no supervision, decide to exercise their own discretion. Should a police officer ticket a husband who is driving fast to get his wife to the hospital because she is in labor? Should the officer just issue a warning to someone who says, "Gee, officer, this is my first ticket"? Should the officer concentrate on easy pickings—drivers with out-of-state licenses who will most likely want to settle quickly so they can get on their way?

And should the officers' commanders—and the elected officials who set policy—worry if different officers make these decisions in different ways, so that the real speed limit depends ultimately on the subjective discretion of the individual officer operating the radar in the police car?

The work of government bureaucrats (for that is what police officers are) extends far beyond enforcement, reaching into policy planning, development, and research. Some of the world's leading experts on traffic safety work for the U.S. Department of Transportation's Federal Highway Administration (FHWA). A fascinating study conducted by the FHWA in 1992 found that changes in the speed limit—lowering it by as much as 20 mph or raising it by as much as 15 mph—had little actual effect on drivers' speed. Moreover, the FHWA found, *most* drivers regularly exceed the speed limit. Lowering the speed limit below the 50th percentile (that is, to a speed lower than that at which half the drivers drive) did not reduce accidents—but it did increase the number of violations.

Where should state and local governments set the speed limit? The FHWA determined that it should be set at the 85th percentile (the speed on any given road at which 85 percent of the drivers drive slower and 15 percent drive faster). Because most accidents are caused by people who drive *very* fast, setting the limit at the 85th percentile would allow most drivers to drive as fast as is reasonable and safe, and it would allow the police to focus their attention on those drivers who are most likely to cause accidents.[2]

Having that FHWA data in hand isn't the end of the story, however. Policymakers often resist such seemingly sound advice on setting the speed limit as different constituents weigh in on the ramifications of raising or lowering the limit. Higher speeds burn more gasoline, so environmentalists often favor lower limits. In many western states, drivers chafe at even high limits and press for even higher limits—as high as possible—and enforcement as loose as possible. A string of accidents on a stretch of road can create enormous pressure on policymakers and police officers for a crackdown. Citizens demand that governments respond to their preferences. When it comes to speed limits, policymakers need—and want—administrators to be accountable, because if lax enforcement of speeding laws causes accidents, the political costs for politicians can be very high. But when it comes to setting and enforcing speed limits, that's a tough trade-off. In the end, one thing is clear: the posted speed limit is one thing, but the government's actual policy against speeding may be quite another.

Questions to Consider

1. The announced policy on speeding usually does not match the policy as the police actually enforce it. Why? What forces are at work?
2. Should citizens worry that there seems to be such a gap between policy and administration?
3. Where the speed limit policy posted on traffic signs and the actual enforcement behavior of the police differ, what issues are potentially the most difficult to resolve?
4. Police are bureaucrats—but so are the technical experts who have conducted published studies on the speed limits. What impact can—and should—government's bureaucratic experts have on its policy?
5. Who is responsible for what in this surprisingly complex system: framing policy options, setting overall policy, setting patrol strategies, and enforcing the policy on the roads? What does this tell us about the politics of the administrative process?

Notes

1. See National Speed Trap Exchange, http://www.speedtrap.org/city/10210/York.

2. Federal Highway Administration, U.S. Department of Transportation, *Effects of Raising and Lowering Speed Limits*, Report FHWA-RD-92-084 (October 1992). See also Elizabeth Alicandri and Davey L. Warren, "Managing Speed," *Public Roads* (January–February 2003), https://www.fhwa.dot.gov/publications/publicroads/03jan/10.cfm.

CASE 4.2: *JENGA* FEDERALISM

I never was very good at *Jenga*. For the uninitiated, it's a game where little blocks stack up to a tall tower—and where the goal is to pull the blocks out, one by one. It's a game of skill and cunning: how much can you destabilize the tower without taking a big swing and knocking it down in a single blow? It's a game that the Trump administration learned to play with remarkable skill.

In its first months, the administration struggled with one legislative assault after another on Obama-era policy. Those challenges had precious little to show for them, except for the passage of the tax cut a year ago. But after a rocky start, Team Trump has finally figured out it can get much of what it wants through a kind of *Jenga* federalism.

Instead of engaging in a direct federal-level attack on big policies with major legislation, Trump's team decided to push more decisions to the states. Gumming up the works in the states, through administrative actions on many fronts, turns out to be a lot easier than pushing big legislative changes from Washington, where Congress can't do much of anything. The administration has enough allies in governors' mansions and state legislatures that it can get a lot of what it wants by indirect means.

Consider Obamacare. President Barack Obama managed to get Congress to pass a vast expansion of health insurance in 2010, but Republicans worked afterwards to repeal or weaken the program. President Donald Trump won a significant victory in eliminating the tax penalty for individuals who don't have health insurance. That pulled one large block from the Affordable Care Act tower. Individual states began looking into plans that pared back basic coverage, and some of them made a run at providing cheap plans that skirted many of the fundamental Obamacare rules on coverage, including protection for preexisting conditions.

A proposal in Idaho proved a step too far even for the Trump administration. Seema Verma, administrator for the federal Centers for Medicare and Medicaid Services, told the state that it had gone too far. It allowed new plans that wouldn't cover preexisting conditions or the basics mandated by Obamacare. But, at the same time, the administration signaled to the states that it was open to allowing skimpy plans for shorter periods. That allowed some state legislatures to offer cheap but limited coverage for healthy younger Americans. Meanwhile, the administration cut grants for "navigators," the local experts who help individuals find their way through the complications of the program. Navigator grants dropped from $62 million in the Obama administration's last year to $10 million in 2018. The combination of less money to encourage people to sign up, along with newer state-based plans providing less coverage for shorter periods, has had a big effect on insurance markets almost everywhere.

The Trump strategy has also led to huge differences in annual premium costs in different states. In 2018, premiums for the mid-range "silver plan" dropped by 22.5 percent in Alaska, 15 percent in Minnesota, and 10 percent in North Dakota. In contrast, premiums shot up 117 percent in Iowa, 74 percent in Wyoming, and 71 percent in Utah. There have been wild swings in adjacent states: premiums up 31 percent in Pennsylvania but just 10 percent in New York, and up 73 percent in New Mexico but down 2 percent in Arizona. These big differences have further unraveled the Affordable Care Act, weakened political support for it, and made private insurers even more nervous about investing for the future. By pulling all these blocks from the program, the Trump administration hasn't come through with its original repeal-and-replace, but it has made the whole system enormously unstable.

The same strategy has spilled over into other programs. EPA allowed the states to create their own standards for emissions from coal-fired power plants, in a stark reversal of the Obama-era efforts to ratchet down greenhouse gases. Coal-producing states were elated by this, even though states downwind of big coal-fired plants were furious. Meanwhile, the administration went after California's authority to regulate tailpipe emissions from cars, which had allowed the state to set de facto national standards for car manufacturers.

In education, Trump's Secretary Betsy DeVos sent out guidance that only the federal government, not the states, could regulate student loan collection companies. Many consumers had complained that the companies were abusing borrowers, and some states were moving to stop them—until the feds blocked state oversight.

In his presidential campaign, Trump pledged a long list of legislative actions to reverse Obama-era policies, but he couldn't get Congress to act. *Jenga* federalism, however, has allowed the administration to make significant headway on many of its goals.

Since 1932, when Supreme Court Justice Louis Brandeis championed the idea of states as "laboratories of democracy," progressives have looked at the states as places where important new ideas could bubble up to Washington. Now the Trump administration has used this strategy in reverse, with states knocking down big ideas rooted at the federal level.

It's a pragmatic strategy that emerged slowly as Team Trump learned its way around Washington. Devolution to the states can replace centralized federal decisions. Now with the shift in the congressional balance of power, *Jenga* federalism provided surprising leverage to the Trump administration—leverage that the Democrats found hard to stop.

Questions to Consider

1. Weigh the differences in a strategy of policy change based on regulation versus legislation. What are the political advantages and disadvantages of each?
2. How do regulatory changes create a new arena for action through the administrative process?
3. Do you believe that the Trump administration's actions were accountable? The Trump team would argue that they had, in fact, won the election and, therefore, were exercising the power the people had given them. The Democrats would argue that the regulations the Trump administration promoted were seeking to counter legislation that had previously been passed into law by Congress and signed by the president.

Note: This case originally appeared in *Governing* magazine (December 2018).

CASE 4.3: HUMVEES IN FERGUSON

In the days after the tragic shooting of Michael Brown in Ferguson, Missouri, in August 2014, news programs ran video after video showing local police around the country armed with machine guns and driving heavily armored vehicles. The *New York Times* described a desert-khaki-painted MRAP—for mine-resistant ambush protected vehicle—sitting next to a snowplow in the municipal garage of Neenah, Wisconsin. And a report from *The Chronicle of Higher Education* revealed that the University of Central Florida in Orlando owns a grenade launcher, retooled to fire tear-gas canisters.

Hundreds of communities and campuses across the country have been the recipient of hand-me-down military equipment, from machine guns and armored vehicles to helicopters and night-vision goggles. All the equipment comes from the Department of Defense's 1033 program, which gives police departments wartime gear that the military no longer needs.

Better that it's shipped to local cops, the reasoning goes, than get tossed away. After all, local police surely can never be too prepared for the vast array of threats they face.

But the idea of an MRAP tooling around Wisconsin or a Humvee making the rounds on a college campus raises concerns among critics who question whether the feds are kindling racial tensions through a policy of super-arming cops. As Eastern Kentucky University criminal justice professor Peter Kraska told a reporter, a "small agency can go rapidly from one of protecting and serving to one of viewing the community as the enemy and a potential threat."

That worry, in fact, led President Obama to call for a full review of the program. With Ferguson's heavily armed cops tossing tear gas from behind armored vehicles, pundits suggested that the feds and their 1033 program had fueled the tensions on the city's streets.

They were wrong. Almost none of Ferguson's weaponry, as it turns out, came from the 1033 program. The town's police department did pick up a couple of Humvees, a cargo trailer, and a generator through the program, but nothing in the center of the controversy came from the Pentagon.

Ferguson and St. Louis police departments bought almost everything seen on television with their own money.

Most of the equipment in the program isn't even weaponry—Yale University received men's trousers and Nashville's police department got Zodiac boats, which its officers used in the 2010 floods to rescue stranded residents. With cops sometimes finding themselves not only in difficult tactical situations but also under assault, giving them the best protection makes sense. The real issue isn't so much the feds fueling racial tension with the equipment, as it is that the equipment has come to symbolize ongoing frictions in many communities between local police and their citizens.

Many police departments have long-standing racial tensions with citizens, especially in those places where the composition of the police force doesn't match that of the locality. In Ferguson, where two-thirds of the population is Black, fifty of the fifty-three police officers are white. Ferguson isn't alone. In nearby Grandview, the police force is 92 percent white while the population is 55 percent nonwhite. Kansas City, Kansas, is doing a bit better. Its police department is 72 percent white while its population is 60 percent nonwhite.

Virtually all of these officers, it should be said, are incredibly dedicated and go to work every day facing a very tough mission. Diversity is much more complex than a numbers game, and some diverse departments have their own struggles with community relations.

But with so many cities demonstrating the effectiveness of community policing, a racial gap between officers on the force and citizens on the streets can vastly complicate the community connection. As one Black Ohio resident told a reporter about the non-Black cops he encountered, "The police come here, they do their jobs, they don't try to get to know anybody." And, he continued, "The police don't wave."

Cops who connect with the communities they serve, criminal justice experts believe, prove more effective in building relationships, generating trust, and de-escalating conflicts.

There isn't good evidence on whether racial diversity makes police forces more effective, or whether police officers of different races treat the people they encounter any differently. Moreover, hiring more Black officers doesn't wipe away police–community tensions, and increasing diversity is a hard road, experts say. It seems to matter much more whether top officials support efforts by their officers to build neighborhood ties.

It's easy to point to video of heavily armed cops as the cause of the racial problem, with the Pentagon driving a top-down racial wedge into local communities. That's wrong.

Far more important is the bottom-up effort to strengthen the relationship between police officers and the citizens they serve. The way in which cops and communities connect has become one of the most important front lines in the continuing struggle over civil rights. Federally delivered MRAPs aren't so much the cause of the problem as they are a powerful symbol that a great deal of work still needs to be done to make that connection.

Questions to Consider

1. What do you think of the federal government's program to supply state and local governments with military equipment for their police forces? Is it a good way of providing them with additional resources—or does it risk worsening citizens' relationships with the police?
2. Consider the racial makeup of the Ferguson police department at the time of Michael Brown's shooting. Does the mismatch between the racial composition of the police department and of the community cause you concern?
3. What strategies do you think would be most effective in improving relationships between the community and local police?

Note: This case comes from my column in *Governing* (December 2014), http://www.governing.com/columns/potomac-chronicle/gov-police-ferguson-militarization.html.

KEY CONCEPTS

Antideficiency Act
complexity
neutrality doctrine
nonprofit
organizational theory
oversight
performance measure
policymaking
public administration

FOR FURTHER READING

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SUGGESTED WEBSITES

The internet contains a vast reservoir of information about public administration and public organizations. A good place to explore the subject is with the associations that focus most on the field: the American Society for Public Administration, **www.aspanet.org**, and the National Academy of Public Administration, **www.napawash.org**.

Moreover, the federal government has an excellent search engine that provides easy access to the huge amount of data, reports, and programs produced by the government: **www.usa.gov**. Most state and local governments have their own websites as well, and **www.statelocalgov.net** provides an easy index of them.

PART II

ORGANIZATIONAL THEORY AND THE ROLE OF GOVERNMENT'S STRUCTURE

The organization is the basic building block of public administration. It's the unit that gets the public's work done. If organizations work badly, they feed the lasting complaints about all things "bureaucratic." If they work well, they make it possible to accomplish the many complex tasks that society wishes to pursue. That makes the construction and operation of organizations essential to the functioning of a government. But given the problems that organizations often have, there's also a very long history of reform.

Every decision about creating, running, and changing a bureaucracy is inevitably a *political* choice, because every choice emphasizes some values over others. Because these are political decisions, the choices involve trade-offs among competing values. Because there are trade-offs, no choice is very stable for very long. The values of individuals shift and change, and so do the ways they arrange **organizational structure**. The structure of the bureaucracy, in fact, captures politics—the choice of how to translate policy into action, and the way that translation works. In the chapters that follow, we examine the basic foundations of organizational theory, the strategies to reform it, how organizational structure affects the behavior of political executives, and how efforts to reorganize bureaucracy can improve the way it functions.

Organizational leaders have developed a wide variety of strategies to build morale and teamwork, like this group working in an escape room to solve a fictional crisis.

Source: JackF via Getty Images

5 ORGANIZATIONAL THEORY

LEARNING OBJECTIVES

- Understand the central role that the structural model plays in the work of bureaucracy
- Contrast systems theory with the structural model
- Explore challenges to the traditional theories
- Note the importance of hierarchy in theories—and their critiques
- Examine the role of individuals and their motivations in organizational theory
- Compare the role of the pluralist challenge in organizational theory
- Understand the formal model of bureaucracy and its implications for theory and policy
- Examine the rising importance of blended government

Of all the things about bureaucracy that citizens love to hate, filing tax returns ranks toward the top. There's certainly nothing new here. In Roman society, few professions were more despised than tax collectors. But in 2005, California launched a pilot program to allow citizens to file their taxes without having to fill out a form. The state already had the information it needed for most taxpayers—income earned and the size of families. So it experimented with using a computer to fill out the form, sending it to citizens, and giving them the chance to mail it in. They still had the opportunity to pull together all their own receipts, do their own calculations, and fill out the forms themselves, but 95 percent of those who used this "ReadyReturn" program liked it and thought it saved them time.[1] The state folded the experiment into its CalFile program, which allowed taxpayers to file their returns online and get tax refunds quickly, despite opposition from the tax software preparation companies.

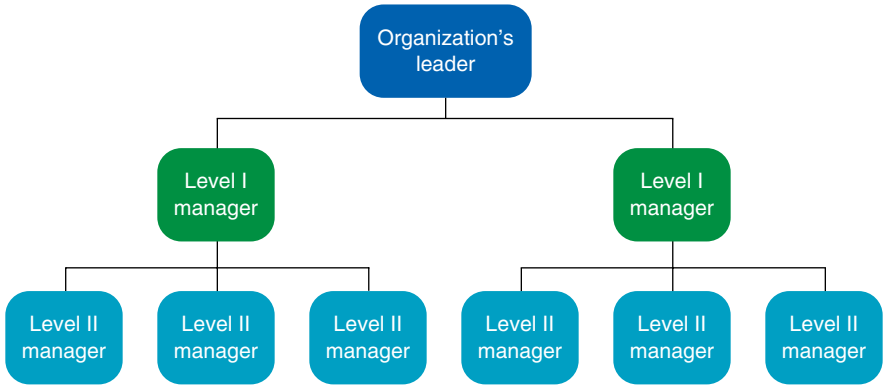
The more to more streamlined tax collection is an example of what Pamela Herd and Donald Moynihan call "administrative burden"—the choice the government officials make about how easy (or hard) to make the road for citizens in navigating their dealings with government.[2] No one wants an inefficient bureaucracy. But no one wants to have to deal with additional hassle as the price for dealing with a bureaucracy, and that's the point of Herd and Moynihan's case for reducing the administrative burden in dealing with government.

In fixing the way organizations work, it's possible to look from the inside out: how to create an organization that works most efficiently and that reflects the political values of those creating its structure. And it's also possible to look from the outside in: how to create an organization that makes it easiest for citizens to navigate their interactions with government most easily. The classical approach to addressing both issues is structure: the formal arrangement among the people engaged in an organization's mission.

And at the core of structure is the classic concept of **hierarchy**, the top-down delegation of authority from higher officials to lower ones. The top official sets policy for the organization and then delegates responsibility to subordinates, so all employees know who is supposed to do what and who is responsible to whom. The chain of authority ensures accountability from

top officials all the way through the organization to its front lines. The result is the familiar, pyramid-shaped organizational chart (see Figure 5.1). In the traditional approach, hierarchy defines the basic shape of organizations, and authority shapes the fundamental relationships.

FIGURE 5.1 ■ Hierarchical Bureaucracy



This hierarchical model is the dominant model for organizing complex work. Over time, however, five major challenges to hierarchy have arisen. The **systems** approach looks at how organizations translate inputs into outputs and how they interact with their environment. The **humanist approach**, rooted in the dynamics of human relations, condemns the impersonality of bureaucratic hierarchies and pleads for the humanizing of organizations. The **pluralist approach** focuses on the role of external stakeholders. The **formal approach** returns to a structural perspective but adds a very different theoretical twist. Finally, the **complexity** approach introduces an information-based approach to linking organizational capacity to the mission.

There is no agreement on which approach works best in either theory or practice. However, these competing models frame the big debates about organizational theory. In this chapter, we will begin with the basic building blocks—the structural approach to large organizations—and then turn to the critiques and their implications.[3]

THE STRUCTURAL APPROACH TO LARGE ORGANIZATIONS

People matter in organizations, of course, but in the traditional model of organization, **structure** matters most. In fact, structure defines where people sit and how they interact with each other. And in the traditional model of structure, hierarchy defines the relationships.

What matters here are the tasks that public administrators perform and the relationships that define how this happens. As Daniel Katz and Robert L. Kahn wrote:

> In any organization we can locate each individual in the total set of ongoing relationships and behaviors that make up the organization. The key concept for this is *office*

> [i.e., position], by which is meant a particular point in organizational space; space in turn is defined in terms of a structure of interrelated offices and the patterns of activities associated with them. . . . Associated with each office is a set of *activities* or expected behaviors. These activities constitute the *role* to be performed, at least approximately, by any person who occupies that office.[4]

The structure of an organization, therefore, shapes the fundamental tasks, relationships, and expectations for people in administration. There are, of course, many big ideas behind the structure, from representative government, through the officials they elect, to the complex job of carrying out governmental policy, through a large, powerful, unelected bureaucracy. This chapter and the next explore these issues.

Authority and Hierarchy

If structure is the building block of organization, authority and hierarchy are basic building blocks of structure. Authority and hierarchy deal with the central issue of the politics of the administrative process: power—who has it and how they use it. In democratic systems, the people consent to be governed by constitutional systems, which convey power to the government. (Of course, that certainly doesn't mean that citizens always agree with how government officials exercise that power.) That, in turn, creates a two-way relationship: the people convey power to government, and the government expects the people to comply with its decisions. Most citizens do so voluntarily. Sometimes the government must exercise a heavier hand, including decisions about how best to collect taxes or enforce speed limits. To do this work, government builds on **authority**—the rightful power to make decisions within constitutionally defined limits, with the expectation of widespread compliance.[5]

Constitutions vest authority in designated major institutions (legislature, courts, executives) and the people in those bodies. In addition to granting authority, constitutions also limit how government officials use it. Government's authority ultimately flows from the people's grant of power.

The authority of public administrators builds on this foundation. In exercising their power, the major institutions *delegate* the power to carry out their decisions to administrators. Note, though, that the idea of delegated authority has two applications. First, an administrative agency, from the police department to the tax collecting organization, can expect most citizens to comply with its decisions because the government agency carries the legitimacy of government. Second, the legislature, the courts, and the chief executive expect administrators to comply with *their* decisions because they exercise the power that flows from the people. Now, put these two applications together: citizens must follow the decisions of administrative agencies, as long as agencies' demands fit with the relevant constitutional, legislative, judicial, and executive limitations and instructions.

Thus, the roles of administrative structure and authority tap into the most fundamental questions of government and its power. Public administration is government in action. Its role cannot be understood without understanding its relationships to these great political, doctrinal, and moral issues.

Propositions about the Role of Authority in Public Administration

Six basic propositions flow from the view of public administration as a structuring of authority:

1. *Principals and agents.* In a democracy, the **principals** are the elected officials who make policy on behalf of the people and delegate responsibility to **agents**, who are the administrators charged with carrying out the law. This, in fact, is where the concept of **agencies** comes from—agencies are the agents established to do the principals' work.
2. *Narrow, defined specialization.* The law assigns each agency to a particular field of activity and a set of responsibilities. It cannot legitimately exercise power outside this field.
3. *Internal specialized structure.* The agency has an internal structure that divides responsibilities among bureaus (or whatever its principal units are called) and among individual positions.
4. *Rules of the game.* The agency has a set of procedures that identify which units and position holders do what, how, and when, as work flows through the agency.
5. *Staff of experts.* The agency has a staff of officials and employees who perform the agency's responsibilities. Principals hire agents because they expect the agents to be experts in the work to be done.
6. *Outside definition of roles and responsibilities.* Other parts of the government—such as the legislature, chief executive, and judiciary—have authority to abolish the agency, to increase or decrease its activities and responsibilities, to fix the amount of funds it can use, to appoint some staff members and specify how others shall be chosen, and to impose structural and procedural requirements on its organization and operation.

Thus, a government agency does not spontaneously spring into being. Neither does its work depend on what problems public administrators want to solve. Rather, policymaking bodies with constitutional responsibility create it and define its mission through law. These formal rules and procedures create the foundation for the agency's power and root it in the constitutional system—and seek to ensure that agencies promote the interests of citizens as a whole instead of the interests of special groups.

Authority guides these propositions, but it does not guarantee that public administrators will work without problems. The lawmaking body may create an agency that is not needed. The law might be vague about the agency's responsibilities, and they might overlap those of other agencies. In fact, the very nature of politics often creates agencies with vague and overlapping responsibilities; the fuzzier the goals, the easier it often is for legislators to get a majority. An agency's internal structure may be poorly designed to accomplish its mission because special interests might try to steer its work to benefit them. Agencies sometimes generate such powerful allies that elected officials might hesitate to challenge their power. But, despite these challenges, structure and authority define the basic issues in the exercise of bureaucratic power, and they set up the big problems for which leaders and theorists have, for a very long time, searched for solutions.

Two Models: Classical and Bureaucratic

Two schools of administrative theory flow from this foundation: the classical and the bureaucratic. Both see the fundamental organizational problem as defining the agency's mission and then setting up internal units and subunits, each charged with a specified portion of the agency's activities. They both develop a theory for the relationship of higher-level units to lower-level units, through the **chain of command**.

Both the classical and the bureaucratic schools rely on the values of legitimacy, power, and rationality. Both schools view organizations simply as neutral, rational instruments for achieving whatever policy objectives (that is, political values) the state's rulers may choose. They differ in *how* they do so.

The Classical Model

The **classical theory** of organization begins by defining clear jurisdictions of authority and responsibility. The theory then subdivides these jurisdictions down the chain of command, to the front lines. Its prime goal is **efficiency**, which focuses on creating *specialized* functions and *coordinated* responsibilities. The theory reached its sharpest focus in the 1930s, when organizational theorist Luther Gulick published its most persuasive description.[6] The classical theory still has great value—it is both a theory in itself and the foundation for other approaches. Critics often argue that it pays too much attention to authority and relies too much on defining boundaries, but it is nevertheless the touchstone for modern administration.

Gulick contended that public administration builds on six principles:

1. *Bases of organization.* Organizations can be structured according to four different strategies:
   - **a.** Purpose (e.g., defense, education, police, fire)
   - **b.** Process (e.g., accounting, engineering, purchasing)
   - **c.** Clientele (e.g., Native Americans, children, veterans, the elderly)
   - **d.** Place (e.g., neighborhoods, New England, Mississippi, Latin America)

This principle is deceptively simple. Gulick suggests that in organizing a bureaucracy, policymakers need to make a fundamental choice about which strategy to emphasize.

2. *Mutually exclusive alternatives.* Gulick's great insight is that policymakers can make only one choice: they must decide which values to emphasize, and which problems to accept. Different modes of organizations tend to emphasize different values. Most cities, for example, have a budget office (organized by process). There is one federal department devoted to the needs of a clientele (the Department of Veterans Affairs), and there is a federal department primarily organized by place (the Department of the Interior, whose main focus is managing federal lands in the west). The choice of which mode of organization to emphasize is a trade-off—concentrating on one mode of organization tends to push aside the advantages of the other modes. Gulick notes that organization by purpose tends to dominate. It brings the great advantage of

technical specialization, but it also inevitably loses the advantages that the other bases of organization bring. Those who design organizations tend to look for efficiency.

3. *Focus on purpose at the top.* Governments most often solve this problem by organizing their executive branch by purpose and by bringing together all activities that contribute to this purpose.

4. *Span of control.* There's a limit to how many subordinates any executive can oversee, what theorists have long called the **span of control.** The best span of control, however, is subject to fierce debate. A smaller span of control allows executives to pay more attention to each subordinate, but this increases the number of layers from the top to the bottom of the organization. If an executive has a larger span of control, there is a smaller number of layers, but the executive must supervise more subordinates. This is yet another trade-off.

5. *Single head for agencies.* Administrative authority and responsibility should be vested in single administrators. Boards and commissions can be useful for policymaking, because they make it easier to represent many different points of view. But this can frustrate the need to provide clear-cut decisions for agencies to administer. This leads to the principle of **unity of command**, with one person responsible for those in subordinate positions. This flows from the adage that no person can serve two masters—if there is to be an effective administrative structure, each public administrator can be responsible to just one supervisor.

6. *Separate line and staff.* Line activities and staff activities should be sharply distinguished. **Line activities** are those operations *directly* related to the major purpose of the agency. In a fire department, for example, firefighters on trucks do most of the department's frontline work. **Staff activities**, in contrast, *assist* the work of the line officials. In the fire department example, fire marshals do staff work, reducing the risk of fires. Staff functions include research, policy, and program analysis, as well as planning, budgeting, personnel administration, and procurement of supplies. Line executives exercise powers of decision and command. Staff officials are—or should be—restricted to advising and providing raw materials.

Of course, we often use *staff* as a generic term for all agency employees. In the formal sense, however, *staff* refers to individuals in support positions. In practice, the distinctions between line and staff often blur, especially with budget officials—in their staff role—exercising substantial power over what line officials actually do. The distinction between line and staff positions often brings substantial friction.

The Bureaucratic Model

Closely related to the classical model is the **bureaucratic model**, which is most commonly associated with Max Weber, a German sociologist. The bureaucratic model is less based on formal structure than the classical model. It focused much more on *the roots of authority within*

organizations. Weber is one of the organizational theory's best-known theorists, but that's ironic. His work was not translated into English until 1946, decades after his death in 1920. His work since has had great impact, because of his great skill in framing basic principles of administration.[7]

Weber was interested in how leaders can make organizations stable. Why do people obey the commands of superiors? He suggested that a stable system of authority cannot depend purely on subordinates' sense of self-interest, nor on whether they like or admire their superior, nor on their sense of an ideal world. Instead, a stable pattern of obedience rests on the subordinates' belief in the legitimacy of authority. They defer to superiors because they believe that superiors have a rightful ability to issue orders.

And where does that rightful ability come from? Weber suggested three basic models: traditional, charismatic, and rational-legal. **Traditional authority** rests on the belief in the sacredness of traditions ("what actually, allegedly, or presumably has always existed"). It depends on the loyalty of individuals to someone who has become "chief" in a traditional way. **Charismatic authority** rests on personal devotion to an individual because of the exceptional sanctity, heroism, or exemplary character of this person. Both of these models can create problems for the long-term stability of an organization, however. Traditions can change or evaporate. Charisma depends on individuals and can evaporate as soon as an individual leaves the organization.

By contrast, **rational-legal authority** (Weber used both terms interchangeably) rests in "the legally established impersonal order." Its strength lies in the foundation of law, which establishes its legitimacy. Obedience is due to "the persons exercising the authority of office under it only by virtue of the formal legality of their commands and only within the scope of authority of the office."[8] Weber describes how the "official duty . . . is fixed by *rationally established* norms, by enactments, decrees, and regulations, in such a manner that the legitimacy of the authority becomes the legality of the general rule, which is purposely thought out, enacted, and announced with formal correctness."[9] Weber also describes the basis of why obedience is owed to the person in authority: persons in a corporate body, "in so far as they obey a person in authority, do not owe this obedience to him as an individual, but to the impersonal order."[10] It's not the person that commands legitimacy, but the person's place in the organization, reinforced by law.

Moreover, Weber's rational-legal approach establishes the basic top-down structure of authority, power, and accountability. The law creates the foundations for power. It vests that power in top-level officials. They transmit that power from their positions to those throughout the organization. For Weber, power and legitimacy flow downhill. This structure, Weber believed, leads to efficiency. He wrote:

> Experience tends universally to show that the purely bureaucratic type of administrative organization . . . is . . . from a purely technical point of view, capable of attaining the highest degree of efficiency and is in this sense formally the most rational known means of carrying out imperative control over human beings. It is superior to any other form in precision, in stability, in the stringency of its discipline, and in its reliability. It thus makes possible a particularly high degree of calculability of results for the heads of the organization and for those acting in relation to it.[11]

Two conditions produce this efficiency, Weber explained. First, laws and regulations divide the job, with "fixed and official jurisdictional areas." Each part of the organization is assigned "regular activities . . . as official duties" and is given "the authority to give the commands required for the discharge of these duties." In short, members of the bureaucracy can be efficient because their responsibilities are sharply defined. With tight boundaries around their jobs, they can best develop the expertise to do them well. Second, the hierarchy separates out the job of who does what. "[T]he principles of office hierarchy and of levels of graded authority mean a firmly ordered system of super- and subordination in which there is supervision of the lower offices by the higher one," he explained. That creates a clear pattern of hierarchy and authority, from the top to the bottom of the organization.[12] To make the system work, Weber continued, officials should be full-time, salaried, and selected on the basis of technical qualifications.

Classical theory and bureaucratic theory have many similarities, but there is one important difference. Many modern students of administration have scathingly attacked classical theory, but bureaucratic theory tends to be respected. To some theorists, classical theory seems impersonal and autocratic. Weber's bureaucratic theory, on the other hand, paints a richer canvas. To be sure, Weber has attracted much criticism. For example, critics have pointed out that he both emphasizes the importance of hierarchical authority and recognizes that bureaucracy builds on specialized, professional knowledge and technical competence among subordinates, expertise that gives subordinates a kind of authority that can conflict with the top-down patterns of organizational authority.[13] Despite these criticisms, however, Weber's concepts remain central to modern sociological analyses of bureaucratic organization.

But at the core of both theories lies an enduring criticism. With the focus of both classical and bureaucratic theories on an organization's structure, they sometimes can seem antiseptic, with far more focus on the roles than on the people who fill them. Designing a structure, of course, never ensures that it works automatically, because the behavior of human beings can often undermine even the best-laid plans. This focus on structure over people, furthermore, has produced a common criticism—that workers are often seen as mere cogs in a larger machine—and to an endless series of parodies in movies and television: from Charlie Chaplin's famous silent movie *Modern Times* (1936) to the satire of *Parks and Recreation* (2009– 2015) and *The Office*, which had both British (2001– 2003) and American (2005– 2013) versions. These movie and television productions worked so well because they tapped into the fundamental challenges of bureaucratic life: how to design systems that endure past individual humans, while taking account of the humans who inevitably work within them.

SYSTEMS THEORY

Systems theory has arisen as a major alternative to the hierarchical approach.[14] It sees organizational work as a set of interrelated parts, rather than as a pyramid. It seeks to build a theory based on how organizations transform inputs, like money, into outputs, like programs for people.

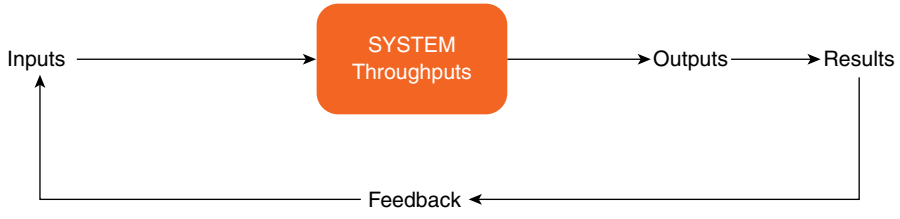
A system can be either closed or open. **Closed-system theorists** view an organization as a simple machine that converts inputs into outputs. One example: in the heating system of a house, for example, we set the thermostat for a given room temperature. When the temperature

falls below the set point, the thermostat triggers the furnace, and the furnace burns fuel to heat the house. When the temperature rises to the level set on the thermostat, the thermostat turns off the furnace. The system's operation is self-contained, with a set-it-and-forget-it feature.

Open-system theorists see an organization as a living organism that constantly interconnects with its environment. If it's cold outside, we put on a coat so the body doesn't have to work as hard to keep its normal temperature. When it gets cold, we put on shorts so the body doesn't get overheated. If an individual contracts a disease, the body's temperature rises to fight it off, until the body's systems return to normal. In fact, systems theorists have been fascinated with nature's processes for restoring this normal balance. They focus on what it takes to find that equilibrium, and that has led them to static, rather than dynamic, models of organization.

In organizational theory, most theorists treat organization as an open system (that is, one that interacts with its environment). In the open-systems approach, the essential elements are these: an organization receives **inputs** of resources (equipment, supplies, the energies of employees), which it **throughputs** (through the organization's structures and processes), which produces **outputs** (products or services). The open-system model also includes a **feedback loop,** which channels information about the outputs back into the system as new inputs. Some feedback can be negative, like information about problems that need to be fixed. Some feedback can be positive, like applause for things that work well. In either case, this feedback can help managers adjust the system so it works better, by producing better outputs at a lower cost (see Figure 5.2).

FIGURE 5.2 ■ Systems Theory



The open-systems model makes an important contribution to organizational theory, for two reasons. It describes how an organization produces results, and it analyzes an organization's relationship with its environment. In an era of networked government and rising globalization, this systems approach has become even more powerful.

Systems theory helps focus two important elements of classical and bureaucratic theories: agency jurisdictions, which define **system boundaries**, and agency missions, which define **system purpose**.

Challenges to the Traditional Theories

The theories we've explored so far have much in common. Each offers a rather formal, abstract view of organizations, with a focus on setting clear goals and sharply defined boundaries. Systems theory views an organization as a box that translates inputs into outputs. The classical

model looks inside the box and sees organizational units and subunits as clearly bounded and arranged to provide a pyramid-based, hierarchical structure of authority.[15]

Over time, these traditional theories have drawn fire from three directions. Humanists charge that the structural approaches stifle the creativity of the human beings who work inside. Other critics from the **government-by-proxy** perspective contend that government agencies rely increasingly on other levels of government and on private and nonprofit organizations to administer public functions. All of the challenges focus on the role that boundaries play in organizational theory: how much sharp lines can define what organizations do and how they can do it better. We discuss each of these approaches in detail below.

THE HUMANIST CHALLENGE

The humanist challenge looks inside the organization and focuses on the life of individual workers. Most of this challenge flows from work researchers have done inside large corporations.

Jobs, Productivity, and Happiness

Industrial managers have long recognized that a business organization's performance depends on the productivity of individual workers. Productivity, they believe, builds on the design of the job and the organization's ability to motivate workers to do the job well. The foundation of this approach is the **scientific management movement**, which developed the profession of industrial engineering in the early 1900s. One of the movement's foremost leaders, Frederick W. Taylor, conducted time-and-motion studies, where his efficiency experts, armed with stopwatches, studied which production techniques produced the best outputs in the shortest times. On an assembly line, for example, where did it make the most sense to place the supply of parts to ease the fatigue of workers and to speed up the assembly line?[16]

Even at the beginning, critics argued that this single-minded pursuit of efficiency was dehumanizing. Taylor himself helped feed that criticism, writing that because of "the grinding monotony" of the work, "one of the first requirements for a man who is fit to handle pig iron as a regular occupation is that he shall be so stupid and so phlegmatic that he more nearly resembles in his mental make-up the ox than any other type."[17] Suggesting workers needed to be dumb as an ox didn't win Taylor any friends, but it was hard to argue with two important features of his work. First, it was clear that some factory layouts in fact made work easier and faster. That improved the company's bottom line, and it made work less stressful for employees. Second and far more important, Taylor documented the connection between the behavior of individual workers and organizational performance. That, in turn, gave birth to an entire movement focused on the importance of motivating employees.

The motivation movement, in turn, led to an important question: were happier workers likely to be more productive workers? The emerging answer was "yes," and that gave birth to the humanist movement, which asked why individuals joined an organization, stayed with it, performed well, and left.[18] Money helps, of course, but researchers found that it did not explain all employee behavior. Research in the late 1920s and 1930s at the Hawthorne Works of the

Western Electric Company showed that variations in working conditions could affect the motivation and productivity of workers.[19] Researchers adjusted the level of light in the factory and found that changes in the lighting increased workers' productivity, even when the lightning was reduced to the point they could barely see. They understood how *increasing* the lighting might help, since workers might be able to see better. But why would *reducing* it make a difference? They concluded that workers appreciated managers who paid attention to them. That notion became known as the "Hawthorne effect," and it established the point that planning for efficiency is never enough: motivating employees is important as well.

This research gave birth to the **human relations movement**, which flourished in the 1950s and 1960s. The humanists argued that happy workers were more productive workers, and their early research studies confirmed this. Money mattered, of course. But so, too, did the relationships between workers and their supervisors. Experts in the human relations school argued that managers can increase the satisfaction and productivity of workers by involving them in important decisions. In such a system, the supervisor is not autocratic and directive; rather, the supervisor is informal, consultative, trusting, and concerned for the team members' welfare.

Although such arguments seemed promising, researchers found that (1) this strategy makes some workers happy but others unhappy—some workers like to participate in decision-making but others don't want to share the risk and responsibility for big decisions; and (2) happy workers are not necessarily more productive workers.[20] Many research studies have consistently shown that "job satisfaction is related to absences and turnover; they have been equally consistent in showing negligible relationships between satisfaction and level of performance or productivity."[21]

Moreover, researchers have found that smarter and richer people with more accomplishments aren't necessarily happier. The combination could even make individuals less happy. The more individuals seek to conquer a field, the more they make comparisons with others, and the constant search for "how am I doing compared with everyone else" can lead to unhappiness. The goal of winning more awards and gaining more recognition can undermine the quest for satisfaction. Instead, some experts suggest that happiness builds on each worker's discovery of what they are good at and what they enjoy doing—and finding a way to do more of it. This creates a world in which everyone has an opportunity to grow in the way that makes everyone happier, the argument goes.[22]

At the core, though, there is the important basic conclusion: happier workers generally are better workers; and the more that organizations help workers be happy, the more productive they will be. That proposition has become so firmly established, in fact, that the California Milk Advisory Board produced a series of commercials, touting that "Great cheese comes from happy cows," and that "Happy cows come from California." The ad campaign was a huge hit—except in Wisconsin.

Self-Actualizing Behavior

These findings built the foundation for what theorists call "self-actualization" (creativity, self-direction, and the realization of one's full potential as a human being) and for the equality of workers (and thus minimal subordination to a leader's direction and maximal participation in decision-making). Members of the human relations movement insisted that large, formal

organizations, with their hierarchical authority structure, are repressive. These organizations would work better, the theorists argued, if they helped their workers "self-actualize."[23]

One of the simplest and most powerful versions of this approach came to life in Douglas McGregor's distinction between what we argued were the two basic approaches to motivating employees: Theory X, which relied on motivating employees through commands, based on hierarchical authority, and Theory Y, which relied on motivating employees, based on their human needs. McGregor, not surprisingly, argued that Theory Y was superior.[24] (See Table 5.1 for a summary of McGregor's theory.)

TABLE 5.1 ■ McGregor's Theory X and Theory Y

Theory X	Theory Y
1. The average human being has an inherent dislike for work and will avoid it if he or she can.	1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.	2. External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.	3. Commitment to objectives is a function of the rewards associated with their achievement.
	4. The average human being learns, under proper conditions, not only to seek but to accept responsibility.
	5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.
	6. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

Source: Douglas McGregor, *The Human Side of Enterprise* (New York: McGraw-Hill, 1960), 33–49.

Despite its apparent power, four attacks have been made against the human relations school.[25] First, critics believed that the research base was flimsy. Most of the early work was conducted by "true believers," and other scholars argued that researchers found what they went looking for: a connection between motivation and productivity.

Second, critics argued that the conclusions were too simple. They suggested, for example, that McGregor had set up Theory X as a caricature he could use in making his counterargument. Newer research has been considerably more sophisticated, including prescriptions for tailoring leadership and participatory styles to the particular circumstances.[26]

Third, critics argued that the human relations movement tended to treat jobs as if they were the worker's whole life. Critics made the obvious point that most people obtain important

satisfaction off the job, and that some people tolerate their work so they can earn enough money to be happy off the job. Individuals can be relatively happy without their work making them so.

Fourth, critics said that the human relations movement tended to ignore the need for leaders to lead. Abraham Maslow, a psychologist much admired by humanists, made the point most sharply: "The writers on the new style of management have a tendency to indulge in certain pieties and dogmas of democratic management that are sometimes in striking contrast to the realities of the situation."[27]

Despite its uneven impact on organizational performance, the antibureaucratic school has had a profound effect on the study of organizations. It has become a rallying point for those seeking to move the study and practice of organizations past the structural approaches to new ones founded on interpersonal relationships. Improving those relationships, human relations theorists have long argued, has been the foundation for improving organizational performance. The reaction against treating individuals as mere cogs in the organizational machine remains a very powerful force.

Moreover, recent research has demonstrated that engaged workers are much more productive workers. This research had led to a global campaign to increase the engagement of employees in the big decisions shaping government agencies.[28] However, after the COVID-19 pandemic, productivity in many American organizations declined at the fastest pace since 1947. No one knew why, especially because many employees were able to work from home and, thus, might be presumed to having their motivation fed.[29]

The humanist challenge has changed the way that everyone thinks about big bureaucracies. But no one really knows precisely how best to motivate employees—or what difference motivation makes on outcomes.

THE PLURALIST CHALLENGE

The pluralist challenge emphasizes the importance of external stakeholders, especially political interest groups, in shaping a bureaucracy's behavior. The argument cuts in many ways. Some theorists argue that enlisting stakeholders can build political support for getting an agency's work done. Some contend that political forces can capture an agency's behavior and twist it away from the broader public interest. In fact, Francis Fukuyama argues in a modern classic that the rise of interest groups has set the stage for a decline of political order and the rise of political decay.[30] Other pluralist approaches focus on the internal dynamics of organizations and how their distinct cultures shape their behavior.

The pluralist model assumes that the interplay of groups shapes society and its government. Groups seek their own interest, with administration as an important battleground for winning their way—and for continuing the struggles they fought in the legislative and judicial arenas.[31] The model sees administration as fragmented, reflecting the fragmented nature of the legislature. Bureaucracies are a jumble of structures, pushed by political crosscurrents, instead of a neat, symmetrical pyramid. The task of administration, at least at its highest levels, is the same as the task of politics—to facilitate the peaceful resolution of conflicts, work out the differences in power among groups in our society, and use the interplay of these groups to seek the public interest.

Administrative organizations, according to the pluralistic model, are both the products of this constant battle and the arena in which the battles are often fought.[32] Their survival as individual agencies depends on their command of sufficient political support to withstand assault by those who disagree with its actions. Their top officials can retain their power only as they adjust their use of power to the preferences of the supporting groups—or if they succeed in winning sufficient support from other groups to break free from the original supporters. The chief executive appears in this model as the spokesperson not for the nation in the sense of "all the people," but for the specific combination of forces that makes it possible to attain, retain, and exercise power and that makes it possible to retain and exercise power. This is true for mayors, governors, and presidents.

To survive, administrative agencies must be responsive to legislatures, and especially to their committees, since they shape the laws to be administered and the money that pays for them. In this model, bureaucracy is one more arena among many in which the battle of political interests plays itself out.

Organizational Culture

One variation of the pluralistic approach emphasizes the importance of **organizational cultures**.[33] Agencies have many differences, and these differences generate different ways of doing business. Some have such strong interest group support that they have substantial autonomy within the executive branch. The interest groups' influence dominates the organization's life. Some have such records of devotion to the public interest (like Teach for America) or to professional standards (like the Justice Department) that they can resist interest group pressure. Others are orphans in the storm, the easy victims of external pressures. An agency physically consolidated in one building differs from one whose headquarters, units, and staff members are scattered among many buildings or among capitols, suburbs, and distant cities.[34] Following the September 11, 2011, terrorist attacks, Congress created the Department of Homeland Security to "connect the dots" among related security issues. However, because most of the twenty-two existing agencies that comprised the new department remained in their existing buildings, blending the culture into a single, new approach proved impossible.

The organizational culture approach stresses the differences among agencies, which flow from their mission and staffing. One can enter a state liquor-control agency or a prison and sense a different atmosphere from that in, say, a banking or insurance department or a labor department. Sanitation departments are very different from police departments, and police departments differ from fire departments. In Washington, D.C., "one has only to walk into the ancient Treasury Department building . . . to sense the atmosphere of a conservative financial institution."[35] The notion of organizational culture holds that the attitudes of workers shape the behavior of the bureaucracy.

Critics sometimes wonder whether "organizational culture" is a soft concept with little analytical bite. But following the disintegration of the space shuttle *Columbia* on its return from orbit in 2002, NASA's top officials concluded that the organization's culture had contributed to the *Columbia* disaster. NASA Administrator Sean O'Keefe said bluntly, "We need to create a climate where open communications is not only permissible, but is encouraged."[36] Preventing future accidents, NASA concluded, required transforming the agency's culture.

Assessment

The pluralistic model yields a pragmatic description of the role of politics in administration. But because this model builds so much on the fragmentation of the political system and of the differences that often grow within agencies, it's often better at *describing* the internal tensions than *providing* a guide on how to improve administration. It is much better at describing what *is*, compared with what *ought to be.* The organizational culture approach, moreover, provides a stark warning that change is hard and might prove fleeting, because cultures are deep-seated, rooted in particular functions and histories, and change slowly and incrementally.

The hierarchical model, in contrast, draws strength because of its deep roots and hold on the popular imagination. It's the pattern that everyone knows, and it's the one that reformers turn to when problems arise. For example, the hierarchical model drove the reformers who sought to improve homeland security after the September 11 terrorist attacks by creating the new Department of Homeland Security, designed to "connect the dots" by bringing related agencies together under the same bureaucratic umbrella. It was a classic case of pursuing the hierarchical model and its prescriptions for clarifying missions and responsibilities, but subsequent cases have shown that many dots remained unconnected.

In the United States, our most fundamental organizational challenge is trying to create hierarchical arrangements in a pluralistic government. That, in turn, helps reinforce the ongoing dilemma of policy and administration. Administration is inevitably part of the effort to resolve political differences. Hierarchy is a search for control and efficiency. There simply isn't an easy way of balancing these conflicting instincts. The role of government in a democracy has always been to build energy to accomplish important objectives, whether for national security against foreign enemies, for provision of basic services like water and roads, for maintenance of the legal system, or for the affirmative promotion of economic and social welfare at all levels of government. That inevitably highlights the efforts to improve coordination, rationality, and legitimacy, which in turn emphasizes the hierarchical model. But those efforts, in turn, need to negotiate a world full of interest groups, fragmented congressional committees, other levels of government, nonprofit organizations, and other agencies with sometimes competing missions and cultures. Administration is embedded in politics, and it always has a heavy political flavor.

FORMAL MODELS OF BUREAUCRACY

By the 1980s, many academic theorists were unhappy with the development of the various theories of public bureaucracy. They liked the fundamental simplicity of the hierarchical model, but they found that it did not produce clear propositions about how best to organize bureaucracy. They did not believe that the systems model produced enough insight, and they found the human relations approach too imprecise. Theorists instead adapted economic theory to produce formal models of bureaucracy.[37]

The formal approach fundamentally transformed the theory of public administration. Theorists identified individuals as the basic building blocks of economic systems. What motivates them? How do these motivations shape their behavior? How does their behavior shift

as they come together in formal organizations? Traditional public administration assumed that authority relationships between superiors and subordinates shaped the basic relationships within an organization: individuals did what they did because superiors asked them to do it. The formal approach, by contrast, began with the proposition, borrowed from microeconomics, that individuals seek to maximize their self-interest: workers agree to work because the work provides them with valued rewards, such as pay and fulfillment; employers agree to pay workers to get the job done, and the market determines how much employers must pay and what employees will agree to accept.

Principals and Agents

These basic assumptions created a theory that bureaucracies can be seen as networks of contracts, built around systems of hierarchies and authority.[38] Each of these networks consists of relationships between superiors and subordinates—between principals and their agents—and each relationship has a variety of **transaction costs**—especially the cost to the supervisor of supervising the subordinate. As originally developed by Nobel laureate Ronald Coase in 1937, this theory has made several advances.[39] Beginning with the motivations of individuals, it explains how they fit into organizations. It explores the problems that such motivations can cause within organizations and identifies the problems that supervisors have in overseeing subordinates. By building on the concept of a contract between individuals and the organization, the theory links organizational theory to economics and its related ideas. **Principal-agent theory** thus offers an elegant solution to the basic problems of organizational theory.

For public administration, this approach produces a straightforward theory: institutions (headed by elected officials) create bureaucracies (that act as agents for the politics created by elected officials). Elected officials are the principals, and bureaucracies are their agents. The principals design bureaucracies' incentives and sanctions to enhance their control, and when the principals detect bureaucratic behavior that does not match their policy preferences, they use these incentives and sanctions to change that behavior. Among the important sanctions are the appointment power that elected chief executives have and the budgetary leverage that elected officials use.[40]

Criticism

Principal-agent theory might be powerful in its simplicity, but the inner workings of bureaucracy tend to evaporate out of the models. One of formal theory's strongest voices, Terry M. Moe, suggests that the inner workings of bureaucracies tend to appear "as black boxes that mysteriously mediate between interests and outcomes. The implicit claim is that institutions do not matter much."[41] Theorists from the structural approach schools often add that the same goes for the people inside these institutions.

Traditional public administration scholars have found the assumptions and models of the formal approach arbitrary and unrealistic; practically inclined researchers and practitioners have found them unpersuasive. Nevertheless, the formal models do provide theoretical elegance and a clear, logical set of propositions that many scholars find extremely powerful in a discipline that has long been searching for an intellectual anchor.

BLENDED GOVERNMENT

All these theories share an assumption: that public administration works by having government employees carry out government programs through the government's own bureaucracies, and that government's bureaucracies have a line of sight to the front lines where services are actually delivered. However, that no longer describes the way that most organizations operate. Government programs have become so complex that no problem that matters is managed by any single government organization.[42] Most work happens, therefore, through **blended government**, as we saw in Chapter 3: most government happens through complex relationships among organizations.[43] Doing the government's work increasingly requires horizontally connected programs across the boundaries separating different organizations, levels of government, and sectors.[44]

The spread of this blended government makes it difficult for policymakers to control the chain of bureaucracy or to monitor how the elements of the system hang together. The rise of blended government, however, is undeniable. America fought the wars in Iraq and Afghanistan by hiring at least one contractor for every soldier, an enormous increase in the reliance on contractors compared with previous wars.

The Role of Interorganizational Networks

Some scholars have suggested that an approach built on interorganizational **networks** might help to explain these problems better.[45] Such networks, Eugene Bardach explains, consist of "a set of working relationships among actors such that any relationship has the potential both to elicit action and to communicate information in an efficient manner."[46] **Network analysis** is distinguished from other approaches by two characteristics. First, scholars debate whether networks constitute an approach, a theory, a method, or a prescription, but there is rising recognition of the power of collaborative approaches to public administration. On one level, the network approach is important for what it is not: the approach is based neither on traditional hierarchical control of organizations nor on market-based transactions among them. Organizations help one another because they discover that collaboration advances their own goals as well. On another level, such interdependence has come to define more governmental programs. Traditional administration begins by assuming that the legislature delegates to government agencies the job of managing programs.

Second, network analysis begins with the discovery that the management of programs depends on the interconnections among those who actually implement programs and that links of the implementation process often lie outside the bureaucratic chain of command. Some networks connect different agencies within a single department. For example, the performance of a state's human services department typically depends on the network connecting its child welfare, health, and social service agencies. Some networks, especially those for federal grant programs, connect different departments at different levels of government. The performance of governmental programs depends on how well these networks function.

Complexity in Blended Government

At the core of these approaches is the emergence of **complexity**, a strategy for understanding the interworkings of blended government. Complexity is different from complicated, as Mark Foden explained. Clocks, for example, are very complicated. In taking them apart, there often is a vastly intricate connection of electronic and mechanical pieces that work together to produce an important datapoint: the time of day. On the other hand, cats are very complex. Their behavior emerges from the interaction with the environment, from a sunny window to the specter of a bird sitting on its sill.[47] Put differently, according to Nassim Nicholas Taleb, "the main idea behind complex systems is that the ensemble behaves in ways not predicted by the components. The interactions matter more than the nature of the units."[48] Transactional governmental strategies, like delivering Social Security payments every month to the program's recipients, tend to be complicated. COVID, on the other hand, turned out to be complex.

Complexity theory is a rising focus of public administration literature, and it has generated a substantial discussion.[49] It requires a different way of thinking about how organizations approach public problems. Danny Buerkli and his colleagues suggest four basic approaches to managing complexity:[50]

1. Subsidiarity: decisions should be made at the lowest possible level
2. Relationships: collaboration is essential
3. Accountability: diverse systems need to be responsible for outcomes
4. Learning: continuous collection of lessons from past policies provides the foundation for future successes

These four principles provide a guide for managing the complex world of blended government. But, as we will see later, complexity often creates enormous challenges for policy implementation.

CONCLUSION

One of the remarkable things about public administration is that different theorists can look at the same basic question—how do government organizations work?—and reach fundamentally different interpretations.[51] They've produced a daunting array of theories. In all these multiple and contradictory approaches, however, four broader propositions surface.

First, each approach focuses on an important truth about governmental organizations. Each has endured because it has captured at least an important nugget of reality for many analysts and because it produces an explanation for problems that other theories leave unanswered.

Second, none of these theories captures everything. Not all organizations are the same; not all small groups are the same; not all jobs are the same. We seek broad theories to explain the world of public administration; many of the theories do best in explaining the variations.

Third, some theories provide a broad framework for understanding administration without necessarily dealing with all the operating realities. How important is it that the theories capture these realities? A search for basic ideas inevitably leaves some things out. Because public administration is both a part of politics and because it seeks to provide guidance to administrators in solving real-world problems, leaving things out can leave frontline administrators without guidance for problems they have to solve.

Fourth, much of public administration has moved into a world of blended government, where the older approaches, all of which hinge on assumptions about organizational boundaries, often falter. Effective implementation increasingly depends on development strategies for dealing with this blended government world.

Each of the approaches reviewed in this chapter contributes something that is true. Together, they paint a rich portrait of a complex reality:

- The *structural* approach, with which we started, goes back to first principles about government, viewing authority—legitimate power—as the heart of the matter. Executive branch departments are agents that hold authority that is delegated and restricted by other elements of the constitutional system—legislatures, executives, and the courts. In turn, each such agency organizes a hierarchy for further delegating and restricting authority and for holding subordinates accountable for their use of such authority. Despite more than a century of criticisms of and complaints about this approach, it remains the foundation for both the theories and practice of public administration.
- A *systems* approach is simple to describe but very hard to apply. As with pluralism, its contribution lies in identifying the interplay between an administrative system and its environment. In addition, its attention to feedback reminds us that organizations learn from experience over time.
- The *humanist* approach, although flawed in several ways, usefully reminds us that individual workers' incentives and teamwork matter in gauging the effectiveness of administration. At the core, the answers to two questions remain unclear: (1) what responsibility do organizations have for motivating employees? and (2) how can organizations make individuals happier on the road to higher performance?
- The *pluralist* approach emphasizes the societal and political environment in which powerful interest groups intervene in administration to achieve their objectives. It is especially powerful in explaining how the values of different interest groups shape administrative action. It has also proven useful in explaining the political setting of public administration. However, it has proven less useful in explaining how administrators can balance the need for hierarchical responsibility with the imperative for political responsiveness.
- The *formal model* of bureaucracy provides great intellectual power in laying out the foundations of bureaucracies and some of their most fundamental elements. However,

critics have pointed out that the formal models provide little practical guidance to public administrators. In the minds of many theorists, they have not been supported by enough research. The challenge has become even greater as formal theory seeks to accommodate complexity by becoming more complex itself. That, in turn, has tended to lose some of the power of its approach, which came from its laser-like focus on a small number of important propositions.

- The *blended model* of bureaucracy lays out an approach that takes account of the networked world of blended government. It connects as well to the rise of government by proxy, which we examined in Chapter 3. It offers a radically new approach to the study of organizational theory, one not firmly anchored in the traditional role of authority in organizations.
- The theory of *blended government* frames new challenges to all these approaches. As the administration of government's work becomes more of a complex partnership with a wide variety of actors, including many outside of government, making administration both effective and accountable becomes far more difficult. Indeed, it becomes even more difficult to understand what *public* administration is, since it relies so heavily on private administrators. The growing gap between these operating realities, on the one hand, and the theories of administration, on the other, frames some of the most fundamental challenges to the organizational theory of public administration.

This brings us back to the important foundation for all of these theories: the concept of *authority*. It focuses on basic issues: who is in charge of what, and how can each individual be held accountable for their actions? Classic theory surely has its challenges, but its great strength is in defining the most fundamental questions. It also provides the foundation for hierarchy, the basic building block of organizations and their operations. It's little wonder, therefore, that it remains the core of organizations, in both theory and practice.

CASE 5.1: DIFFERENCES IN ORGANIZATIONAL CULTURE: IS THE FBI FROM MARS AND THE CIA FROM VENUS?

Author John Gray made a global reputation with his best-seller *Men Are from Mars, Women Are from Venus*. His argument: that men expect women to think and talk like men, that women expect men to think and talk like women, and that "our relationships are filled with unnecessary friction and conflict."[1]

Gray must be on to something. His *Mars/Venus* books have sold more than 30 million copies in forty languages. In fact, thanks to appearances on *Oprah* and *Live with Regis*, his first book was the best-selling book of the 1990s.

Some people think Gray's guide to male–female relationships helps explain the tensions between governments as well. Journalist Siobhan Gorman thinks so. She writes that the key

agencies responsible for protecting the United States from terrorist attacks, the Central Intelligence Agency (CIA) and the Federal Bureau of Investigation (FBI), "have such different approaches to life that they remain worlds apart," and even White House–ordered relationship counseling might not be enough to bring them together.[2]

Prior to the September 11, 2001, attacks, U.S. government intelligence agencies spread across the nation and around the world had collected fragments of information, hints, and warnings about the potential attacks from numerous disparate sources. But the information never came together as a picture of the impending disaster. Even in retrospect, it isn't certain that the picture would ever have been clear enough for the government to stop the attacks. However, the country never found that out because high bureaucratic barriers prevented the flow of information.

In the months after the attacks, critics and reformers universally called on government to "connect the dots"—to do a much better job of interpreting the information collected by the various intelligence agencies. That process, they all concluded, would make America safer by helping top officials identify the greatest threats. Everyone agreed that the intelligence system needed better coordination and reached consensus that bureaucratic battles between the intelligence agencies were undermining the nation's security.

The national commission investigating the September 11, 2001, attacks confirmed that deep divisions between the nation's intelligence agencies had frustrated the government's ability to uncover valuable clues and, perhaps, take steps to prevent the attacks. Commission chair Thomas Kean declared that the government had not been able to protect its citizens from attack because of "a failure of policy, management, capability and, above all, a failure of imagination." Who or what was to blame? Kean's commission answered, "There's no single individual who is responsible for our failures." The commission's recommendation? Create a new cabinet-level national intelligence director to oversee the nation's network of fifteen different intelligence agencies.[3] A single head of intelligence, the commission argued, would improve coordination and break down the barriers that had prevented the sharing of intelligence before the attacks. This national intelligence director needed to be able to steer the agencies' investigations, coordinate the information they collected, and provide clear advice to the president. That complex assignment, the commission concluded, required a new position at the highest level of the federal government—with the power to hire and fire employees and to control the intelligence budget.

At the center of the organizational battle was a decades-old struggle between the CIA and the FBI. "It's not that [FBI agents and CIA officers] don't like each other, but they're really different people," explained Jim Simon, who had worked as an analyst in the CIA. "They have a hard time communicating."[4]

For years, the two agencies had coexisted uneasily: the CIA focused on digging out information abroad on threats to the United States, while the FBI concentrated on dangers inside the country. A tidy boundary, perhaps, but not one that the nation's enemies respected. In fact, it was one they were able to exploit in carrying out the September 11, 2001, attacks, in which foreign operatives burrowed into American society, only to pop up to stage the biggest assault on American soil since the Japanese attack on Pearl Harbor in December 1941. President George W. Bush, congressional leaders, and the 9/11 Commission issued an inescapable challenge to the agencies: cooperate! "But the organizations' institutional cultures are so different," concluded Gorman, "that real coordination will be very difficult to achieve."[5]

Since its creation in 1947, in the early days of the Cold War, the CIA has focused on building long-term relationships with potential intelligence sources. A field agent may spend long hours engaging in conversation with a subject who is plied with good liquor,

swapping tales, and building trust, in the hope that, when things begin to happen, the source may share some important information. Within this clandestine world, where it is always hard to predict what is going to happen where, the CIA—known as "The Company" to insiders—has encouraged a loose, nonhierarchical style of operating. Success here consists of digging out a critical piece of information and passing it along to top policymakers. Field agents often cut corners to make this possible, and then they melt back into the background.

By contrast, the FBI, founded in 1908, has long had an informal motto: "We always get our man." Dogged police work combined with careful training of its agents has always been the hallmark of the FBI. Knowing that their job is to catch and incarcerate criminals, this agency's operatives scrupulously avoid crossing legal lines so they won't jeopardize prosecutions. Success means putting bad guys behind bars, one case at a time.

FBI agents take up a case, track it to its completion, file it away, and move on; their work is linear. In contrast, CIA agents circle constantly around problems, pick up on leads until they either solidify or evaporate, and work them like a prospector panning for gold.

These different styles of work lead each agency to recruit a different kind of person. John Vincent, a twenty-seven-year FBI veteran, explains: "The type of people that go into the CIA is completely different from the type of people who go into the FBI." In the FBI, most employees "are pretty normal Joes off the street. The CIA guys—they're a different group of people. Most of the CIA guys I've met are very intelligent but wouldn't know how to put a nut on a bolt."[6] FBI agents, in Gorman's analysis, are from Mars.

Sixteen-year CIA veteran Ronald Marks says that's because, in the CIA, judgment is much more important than rules. "You have a source who will tell you X. Your judgment of that source is based on the time you've spent with them. You're dealing pretty much in a murky world." That, Marks concludes, is "the world of judgment."[7] As Gorman puts it, CIA agents are from Venus.

These different operating styles have led to very different antiterrorism strategies. The information-based, judgment-driven world of the CIA has focused on rooting out information about possible attacks in advance, even if the information does not come together in sharp focus. The conviction-based, rule-driven world of the FBI has focused on trying to arrest and convict terrorists, often after the fact.

Nevertheless, the stark realities of the post-9/11 world make it essential for the two agencies to cooperate. As the 9/11 Commission warned, "Countering transnational Islamist terrorism will test whether the U.S. government can fashion more flexible models of management needed to deal with the twenty-first-century world."[8] In fact, toward the end of its report the commission quoted the following stark conclusion, drawn from a study of the Pearl Harbor attack: "Surprise, when it happens to a government, is likely to be a complicated, diffuse, bureaucratic thing. It includes neglect of responsibility, but also responsibility so poorly defined or so ambiguously delegated that action gets lost."[9]

To prevent poorly defined, ambiguously delegated policy in the future—to prevent the government's bureaucratic problems from getting in the way of its war on terror—the commission argued that the nation needed a single, powerful director of national intelligence with the authority to force coordination between the FBI and the CIA, as well as the thirteen other intelligence agencies. That change, the commissioners concluded, was the only way to create a unified homeland security culture from the very different independent organizational cultures that had grown in the vast intelligence community.

But even a new organization, Gorman argued, might not solve the problem. Looking back at Gray's best-seller, Gorman wrote, "Mars and Venus can expect to need couples' counseling for a very long time."

Questions to Consider

1. What are the roots of the different organizational cultures in the FBI and the CIA? How do these cultures affect their work? In both good and bad ways?
2. How likely is it that the two agencies will be able to change their cultures?
3. Do you think that changes in the organizational structure can produce changes in the organizational culture? Is the 9/11 Commission's proposal a good idea? Why or why not? How else might an organization's culture change, if not by changes to its structure?

Notes

1. John Gray, *Men Are from Mars, Women Are from Venus* (New York: HarperCollins, 1992), 10.

2. Siobhan Gorman, "FBI, CIA Remain Worlds Apart," *GovExec.com* (August 1, 2003), http://www.govexec.com/defense/2003/08/fbi-cia-remain-worlds-apart/14671.

3. Chris Strohm, "9/11 Commission Scolds Government over Attacks, Calls for Major Reforms," *GovExec.com* (July 22, 2004), http://www.govexec.com/defense/2004/07/911-commission-scolds-government-over-attacks-calls-for-major-reforms/17234. See the Commission's report, *The 9/11 Commission Report* (2004), http://www.9–11commission.gov/report/911Report.pdf.

4. Gorman, "FBI, CIA Remain Worlds Apart."

5. Ibid.

6. Ibid.

7. Ibid.

8. *The 9/11 Commission Report*, 406.

9. Thomas Schelling, foreword to Roberta Wohlstetter, *Pearl Harbor: Warning and Decision* (Stanford, Calif.: Stanford University Press, 1962), viii.

CASE 5.2: THE BIDEN ADMINISTRATION'S STRATEGY FOR EMPLOYEE ENGAGEMENT

Since the Clinton administration, presidents have announced major strategies to improve the federal government. For the Biden team, the first priority was "Strengthening and Empowering the Federal Workforce."[52] At the core of the strategy, the administration said, was this:

Make every Federal job a good job, where all employees are engaged, supported, heard, and empowered, with opportunities to learn, grow, join a union and have an effective voice in their workplaces through their union, and thrive throughout their careers.

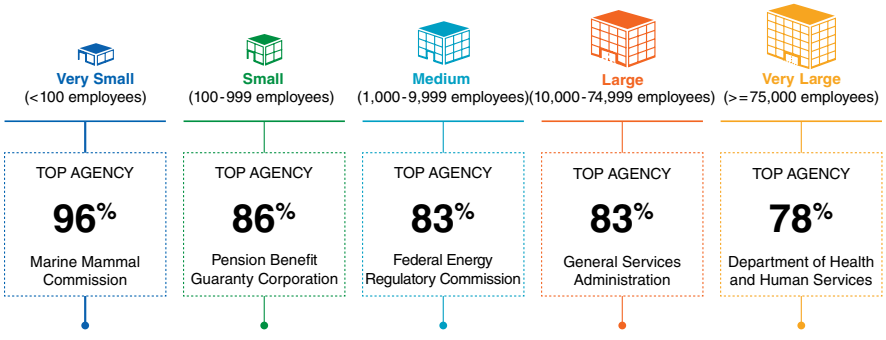
Reimagine and build a roadmap to the future of Federal work informed by lessons from the pandemic and nationwide workforce and workplace trends.

This was an effort to improve the engagement of federal employees—that is, "the involvement and enthusiasm of employees in their work and workplace," as Gallup defines it. "Employee engagement helps you measure and manage employees' perspectives on the

crucial elements of your workplace culture." The underlying argument is that more engaged employees are not only happier employees; engaged employees, management experts believe, are more productive employees. It's a very tough goal to reach. Around the world, Gallup found, only 15 percent of employees are engaged. In the United States, it's a bit better: 35 percent. And, Gallup concluded, it's something managers can do something about. Their research found that "70 percent of the variance in team engagement is determined solely by the manager."[53]

Employee engagement has gradually been improving, with overall engagement in 2022 rated at 71 percent. But engagement varies greatly across the government, both in individual agencies and in the size of agency, as the U.S. Office of Personnel Management (OPM) found.

FIGURE 5.3 ■ Employee engagement scores vary significantly in agencies across the government--and across different sizes of agencies.



Source: U.S. Office of Personnel Management, *Federal Employee Viewpoint Survey Results* (2022), 9. https://www.opm.gov/fevs/reports/governmentwide-reports/governmentwide-reports/governmentwide-management-report/2022/2022-governmentwide-management-report.pdf.

In some agencies, like the Department of Health and Human Services and NASA, employees are much more engaged. Other agencies, the survey found, had far less engaged employees, with the National Mediation Board and the Kennedy Center for the Performing Arts at the very bottom.[54]

Questions to Consider

1. Consider the overall management of the federal government. How important do you think is having engaged employees to its mission?
2. More research needs to be done to understand why employee engagement is higher in some agencies than others. Imagine you are constructing a research project. Why do you think that engagement is higher in Health and Human Services, NASA, the Federal Trade Commission, and the International Trade Commission?
3. Imagine that you are a federal employee. What steps would you want your boss to take for you to feel more engaged in the organization's mission?

CASE 5.3: WHAT SHOULD GOVERNMENT DO ABOUT SHARKS?

In 1975, director Steven Spielberg discovered a powerful truth about the moviegoing public: we love to go to theaters and be terrified by the prospect of sharks on the loose. In *Jaws*, Spielberg told a powerful tale of a trio on the trail of a man-eater—the local sheriff, an oceanographer, and an experienced shark hunter. The movie spun off three sequels, a ride at Universal's Orlando theme park, and a series of cheeky *Sharknado* television movies. Some beachgoers couldn't put their toes into the ocean without hearing John Williams's haunting theme in their heads. And little wonder: the movie's tag line was "don't go in the water."

Forty years later, stories of shark attacks dominated the news, terrified swimmers, and preoccupied state and local officials trying to convince vacationers that it was safe to come to their beaches.

Colin Cook, for example, was sitting on his surfboard off a beach in Oahu when a shark attacked him from below. A surfer and a kayaker helped him to shore, where he received medical attention and survived. But the attack was the fifth recorded in Hawaii by October 2015.[1] By the Fourth of July weekend that year, North Carolina beaches recorded eight shark attacks, and swimmers were wary. The year, in fact, proved an especially bad one for shark attacks. Around the globe, there were ninety-eight attacks and six fatalities, according to the International Shark Attack File.[2]

But that, of course, raises an important series of questions: Is this a governmental problem? Can government do anything about it? Should government do anything about it—and, if so, how?

There are plenty of sharks in coastal waters. In the town of Surfside Beach, California—not far from Long Beach and Los Angeles—the Marine Safety and Lifeguards Department takes sharks seriously. It bought a Phantom 3 Professional, a quadcopter—that is, a drone. Its team sends the drone out regularly to monitor young great white sharks offshore and, in the busy summer of 2015, "Every time we've flown it we've seen sharks," said Joe Bailey, the department's chief. In the past, the town had sent out lifeguards on personal watercraft to patrol for sharks. The drones worked much better: they could cover more area, in less time, from an altitude that made it easier to spot the sharks.

But, in general, the risks from sharks are very low. In the previous decade, the average death toll from sharks around the world was six. One study estimated that the risk of dying from a shark bite was one in 8 million, compared with one in ninety for dying in a car accident. Sharks have far more to fear from humans than humans do from sharks, since we kill 100 million sharks a year.[3]

Experts attribute some of the fear about sharks to much better reporting. The combination of improved information sharing and a news media always ready to pounce on shark stories, especially on slow-news days around the holidays, can make the risk seem larger than it is.

However, when attacks surged in mid-2015, local governments worked to put new restrictions in place. Near North Carolina's beaches, local officials created "swim only" beaches where fishermen would be banned. Officials suspected that sharks might have been attracted to areas where fishermen and their bait were mixing with swimmers. Fishermen were furious, but officials countered that the restrictions were limited: to small areas, at limited times of the day, and at limited months of the year. The board of commissioners in

Emerald Isle, North Carolina, enacted a ban on "chumming" (tossing ground-up fish into the water to attract big-game fish). And lifeguards along the beaches were extra-vigilant.

Still, as Patricia Smith, the North Carolina Division of Marine Fisheries public information officer, said, "Sharks are in the water, and swimmers are in the water, and sometimes this happens."

What about a campaign to kill the sharks? A Stanford University expert said that a shark-killing program in Western Australia cost $22 million. It was a "waste of money," he argued. Moreover, "Most of the time when you go out and kill sharks, you kill the wrong shark."[4]

And, as George H. Burgess, director of the Florida Museum of Natural History's Program for Shark Research and curator of its International Shark Attack File, pointed out, thousands more people are killed driving to the beach than by sharks when they get there.

Questions to Consider

1. Consider the implications of these arguments for organizational theory. What strategies would you use to deal with the shark problem? How would you organize an effort to deal with shark issues? What entities would you involve? How would you connect them? Note that the one thing that would not be a good answer would be a governmental unit, organized hierarchically, focused squarely on shark-fighting.
2. Is there, in fact, a "shark problem"? If so, is it a governmental problem? Why or why not? Who should decide the answer to this question?
3. To the degree that you think government should play some role in keeping the beaches safe, how much governmental control should there be? How much should government regulate behavior, compared with educating everyone involved?
4. What different political interests are involved in this issue? Consider fishermen, vacationers, hotel operators, restaurateurs, and environmental policy experts, among others. How does this constellation of political interests affect the way government approaches the issue?

Notes

1. Andreas Preuss, "Fellow Surfer, Witnesses Assist Shark Attack Victim in Hawaii," *CNN.com* (October 10, 2015), http://www.cnn.com/2015/10/10/us/hawaii-shark-attack-injures-surfer/index.html.

2. Brian Clark Howard, "2015 Had a Record Number of Shark Attacks. Here's Why," *NationalGeographic.com* (February 9, 2016), http://news.nationalgeographic.com/2016/02/160209–2015-shark-attacks-el-nino-economy/.

3. Ibid.

4. Ibid.

KEY CONCEPTS

agencies
agents
authority
blended government
bureaucratic model
chain of command

charismatic authority
classical theory
closed-system theorists
complexity
efficiency
feedback loop
formal approach
government-by-proxy approach
hierarchy
human relations movement
humanist approach
inputs
line activities
network analysis
networks
open-system theorists
organizational cultures
organizational structure
outputs
pluralist approach
principal-agent theory
principals
rational-legal authority
scientific management movement
span of control
staff activities
structure
system boundaries
system purpose
systems theory
throughputs
traditional authority
transaction costs
unity of command

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SUGGESTED WEBSITES

For an exploration of academic research about organizational theory, see the websites of the Public Management Research Association, **www.pmranet.org**, and the Academy of Management, **www.aom.org**. Both provide links to cutting-edge research in the field. In addition, the website prepared by Babson College Assistant Professor Keith Rollag, **http://faculty.babson.edu/krollag/org_site/encyclop/encyclo.html**, is a useful encyclopedia of the major terms in the organizational theory literature

The turkeys preparing for a presidential pardon before Thanksgiving enjoy a luxury night out at the Willard Hotel before their trip to the White House.

Source: Win McNamee via Getty Images

6 THE EXECUTIVE BRANCH

LEARNING OBJECTIVES

- Understand the basic building blocks of executive branch structure and coordination
- Explore the components of executive branch organization
- Connect the role of leadership with the contributions of structure
- Examine the structure of the White House as an example of top-level executive management
- Consider the opportunities that electronic government creates for improving government's performance

The idea of executive power in the United States dates back to the nation's start, with the U.S. Constitution in 1787. Article II, Section 1, states, "The executive Power shall be vested in a President of the United States of America." Ever since, Americans have looked at their elected executive not only as an important constitutional officer but also as the figure leading the government, a person vested with great power because of the authority that comes with the job.

That's often led executives to test the limits of that power. One of the discoveries in the report issued by special counsel Robert Mueller in 2019 was that President Donald Trump had tried, on multiple occasions, to get his staff to quiet—or fire—Mueller. Trump was convinced that Mueller's investigation was a partisan "witch hunt" designed to weaken his presidency. But rather than follow his direction, members of Trump's team found a variety of ways to avoid provoking what surely would have been a fierce firestorm. They sometimes ignored the president. At other times they agreed, but did not act. Sometimes they simply "slow walked" the president's directives, in the hope that he would change his mind or lose interest. Their efforts allowed Mueller to finish his work and submit his report to Congress. But, more fundamentally, the "slow walking" of the president's demands demonstrated an important fact about the role of the executive: there is great power in both the symbolic and formal roles that come with the job, but the power of the executive lies not in giving orders, but in marshaling the strength of the executive establishment. When President Harry Truman thought about Dwight Eisenhower, the general who led the D-Day Invasion and America's World War II victory in Europe, he said, "He'll sit here, and he'll say, 'Do this! Do that!' And nothing will happen. Poor Ike—it won't be a bit like the Army. He'll find it very frustrating."[1]

Every executive in the United States—whether mayor, county executive, governor, or president—has had to learn the same lesson. The executive might come to office expecting to wield great power. But the exercise of power depends on the executive's ability to leverage, not command, the vast resources of the executive branch, and there is nothing automatic about that.

THE BUILDING BLOCKS OF STRUCTURE AND COORDINATION

The basic building block of the executive branch is structure, along the lines we explored in the last chapter. There are organization charts that diagram who reports to whom. There are agencies created by city councils and legislatures to do government's work. Relationships among the pieces are crucial. And everything—especially power—depends on where in the hierarchy an official works. According to Miles's Law, a famous saying named after noted Princeton professor Rufus E. Miles, "where you stand depends on where you sit."[2] The setting both defines the way that government officials see their jobs and describes how they connect with others in doing those jobs.

If structure is the building block, **coordination** is the goal. Organizations are repositories of the expertise that government needs to get its complex work done, but no organization can work alone to do anything that truly matters. That means that ensuring organizations work together is essential.[3] Coordination thus is the central challenge of the executive branch. "If only we can find the right formula for coordination," Harold Seidman wrote, "we can reconcile the irreconcilable, harmonize competing and wholly divergent interests, overcome irrationalities in our government structures, and make hard policy choices to which no one will disagree."[4] Coordination thus is the essential ingredient for executive power. But stating that sometimes seems like underlining the obvious—or invoking "coordination" as a magic incantation to do the hard work of government.

We never have found—and never will find—the magic formula for truly effective coordination. There are many barriers that stand in the way, including each agency's own instinct to keep control of its assets so that it maximizes its own power. Moreover, every executive branch agency is beholden to the legislature as well, a legislature that creates both the structure and programs that shape administrative action. That, of course, is a constant frustration to executives, who often come into office believing that they in fact are chief executives with the power to command. The difficulty—and importance—of securing coordination means that every crisis creates new demands for better coordination.

That certainly was the case during the COVID-19 crisis. The responsibility for the research, science, data gathering, vaccine approval, and immunization administration became spread over federal, state, and local government agencies, as well as private companies and nonprofit organizations that tried to convince their constituents to get the shots. The United States had a far higher death rate than almost every other advanced country in the world. The reason was principally because of the difficulty of ensuring the coordination that the entire process demanded.

State and local governments struggle with the same issues. In 2004, reformers in California boldly declared, "California's government must reorganize to meet the demands of modern California." Their report proposed a massive shift in the responsibilities of state agencies that seeks to align "programs by function, consolidates shared services and abolishes outdated entities." Pointing out that California is the fifth-largest economy in the world and that the state has a rich tradition of embracing new ideas, the review charged that

> California's state government is antiquated and ineffective. It simply does not mirror the innovative and visionary character of our state. Instead of serving the people, it is

focused on process and procedure. It is bureaucracy at its worst—costly, inefficient and in many cases unaccountable.

The performance review recommended a fundamental restructuring of the state's eleven agencies, seventy-nine departments, and more than three hundred boards and commissions responsible for carrying out the state's functions.[5]

Government's complex mission and intricate structure are closely linked. In this chapter, we will begin by looking at the basic issues. Chapter 7 focuses on critical and persistent organizational problems. In both these chapters, there is a common theme: structure matters—a lot. How structure affects organizations and the way they behave, however, is a deceptively complex puzzle.

EXECUTIVE BRANCH COMPONENTS

As we have seen, organization by **function** is the typical strategy for government. Four functions are traditional: (1) managing money, including revenues, spending, and borrowing (as with a treasury or a finance ministry); (2) maintaining internal law and order (through the police, the courts, and a department for justice); (3) keeping the country safe (through departments for the military and navy); and (4) managing the country's foreign affairs (through a foreign ministry). From this historic base, other functions soon began appearing, such as a postal service and construction for roads, bridges, waterways, and public buildings. Local governments created departments for police, fire, sanitation, and education. State governments established colleges and universities, as well as units for social welfare. With the twentieth century came an emphasis on technology, science, energy, the environment, and economic planning. With the twenty-first century, the complexity of programs and organizational structures amplified the challenges of coordination.

Structures are the basic building blocks, but their names can sometimes be confusing. The top level of organization is usually a "department," but there's no consistent logic about what makes a department a "department." Outside the United States, "departments" are often called "ministries." In 1989, the federal Veterans Administration became the Department of Veterans Affairs, but little changed except the name, letterhead, and building signs. Sometimes the change works in reverse. In 1995, the Social Security Administration moved out of the Department of Health and Human Services and became an independent agency to insulate its huge spending from the annual budget battles. The National Aeronautics and Space Administration (NASA) and the Environmental Protection Agency (EPA) both have big missions and they are agencies independent of any cabinet department, but neither has "department" status. The head of the EPA has "cabinet rank," in Washington protocol; the head of NASA does not. The reasons are political, not operational. Look around any state or local government, and the same holds true. There are many terms to describe executive branch units (*bureaus, departments, commissions, offices*, and *agencies*) and the result can be confusing.

When in doubt, we use "agency" as the generic label for executive branch organizations. After all, they operate as *agents* of the government.

But in American democracy, there is also an important paradox. We tend to think of the chief executive as being in charge but, as we have seen, the structure executives manage is typically the product of legislative decisions. A chief executive can propose the creation of a new agency, but its establishment, what it does, and how much it can spend are typically legislative decisions. That's very different from the private sector, where executives have far greater power to create, abolish, staff, and fund the structures they manage. In government, executives are responsible for managing agencies whose missions, structures, and resources they do not fully control.

The Cabinet

Chief executives—and, again, this applies to executives at all levels of government—have traditionally gathered their agency heads together in a group known as the **cabinet**. As with so many terms of public administration, this one has deep historic roots. "Cabinet" has its roots in the Old French *cabine*, a gambling room, usually small and private to avoid prying eyes. That protection made the small, secluded chamber a natural place where the king's advisers could gather. Over time, the secret meeting of the king's ministers grew into a more formal structure, and the American government incorporated the concept to describe the relationship between the chief executive and department secretaries. And how did an agency head get a title like "secretary," which today suggests a lower-level official? In the Old English, a "secretary" was a high-level, confidential officer, who had the important but unusual (at the time) ability to read and write. The clerical meaning emerged much later.

Of the fifteen executive departments now operating at the federal level, three date from 1789 (State, Defense,[6] and Treasury). The newest is the Department of Homeland Security, established in 2002. The departments range greatly in size, from the Department of Defense, which accounts for a third of all federal civilian employees, to the Department of Education, whose 3,600 employees would make it a small agency within many of the larger cabinet departments. In fact, it's one-fourth the size of the EPA, which does not have departmental status. The New York City Police Department has 38,000 officers and is larger than six federal departments. The University of California System has 190,000 faculty and staff, just a bit smaller than the U.S. Army. The executive establishment is a vast, sprawling collection of entities that defies an easy explanation.

Independent Agencies

Beyond the cabinet departments, at all levels of government, is a large number of **independent agencies.** At the federal level, these independent agencies range from the mammoth Social Security Administration to the American Battle Monuments Commission. The Federal Reserve Board manages the nation's money supply. There are regulatory agencies, like the Federal Communications Commission, which sets broadcast standards and manages licenses for the nation's broadcasters. After the 2009 financial crisis, Congress created the Consumer Financial Protection Bureau, which Obama championed but which Trump tried to dismantle. The Tennessee Valley Authority operates flood control and power generating dams in the

southeastern part of the country. Then there are the super-secret spy agencies, like the Central Intelligence Agency and the National Security Agency.

State and local governments have independent agencies as well. The California Air Resources Board was one of the nation's first agencies devoted to reducing pollution, and it has been a national standard-setter ever since. Many states have racing commissions to ensure that horses on tracks remain safe. The many special-purpose units of government we discovered earlier in the book operate apart from cabinet departments, including the Port Authority of New York and New Jersey, which runs JFK and Newark Airports, a commuter railroad, mega-terminals for buses, a network of bridges and tunnels, and the region's harbor. But these independent agencies stretch into every corner of the country. The Kansas Turnpike Authority runs a 236-mile highway. In western Montana, the Gallatin Local Water Quality District works to improve regional water quality. The Lower Colorado River Authority manages the lake and river levels in central Texas through a network of dams, which requires a constant balancing act of preventing water from backing into up-river communities without flooding those downstream—and maintaining enough water for everyone to drink through the long, dry spells that often hit the region. State and local independent agencies are important in every part of the country.

If these independent agencies are important, just what are they independent of? In some cases, they have been established to be independent of existing government agencies, executive branch politics, and legislative battles.[7] In other cases, they stretch across multiple jurisdictions and are independent from control of any one of them. These independent agencies tend to be of several types.

Regulatory commissions rely on complex tools—licensing, rate-fixing, and safety codes, for example—to govern the behavior of private markets. The federal government controls which drugs can be sold. Local governments regulate taxis. State governments license barbers and tattoo parlors. Regulators find themselves grappling with everything from the safety of pet food additives to the speed of dockless electric scooters.

There are **government corporations**, which engage in lending, insurance, and other business-type operations.[8] Most are federal and include the Corporation for Public Broadcasting, the Federal Deposit Insurance Corporation, the Legal Services Corporation, the National Railroad Passenger Corporation (Amtrak), the TVA, and the U.S. Postal Service. These government corporations vary greatly. Some are wholly government owned, others are mixed enterprises with both government and private investments, and yet others have only private funding. Some are meant to be profit making; others are nonprofit organizations. Some support themselves from their revenues; others are wholly or partly dependent on government appropriations. Some are integrated into the regular departments; others float freely. And they vary in conformity to standard personnel, budgetary, and auditing practices and controls.

Over time, the independence of independent regulatory commissions has eroded. Chief executives, for example, can usually appoint a commission's majority and install members who share policy goals. Their budget offices review the commissions' budgets. At the state and local levels, the same issues hold true, in almost endless variety.

Some of these independent agencies have acquired vast power. The Railroad Commission of Texas, for example, is an independent regulatory commission that has vast power, but it has nothing to do with railroads. Instead, it is enormously powerful as the regulator of the state's vast oil and gas industry. It is so important, even if it's relatively anonymous, that actor Jane Fonda visited the state to stump for candidates. North Dakota has an Industrial Commission with great authority over the state's own vast energy resources. A three-member board, composed of the governor, attorney general, and agriculture commissioner, oversees the North Dakota commission. The pattern ripples throughout the country, but the same basic question occurs everywhere: who holds the administrators accountable for what they do and how much they spend?

Bureaus

Within agencies, the principal operating organizations are **bureaus**. This general term covers many organizations within the larger departments. Bureaus have a wide variety of titles, such as Bureau of Motor Vehicles, Internal Revenue Service (IRS), Geological Survey, Antitrust Division, Federal Highway Administration, Homicide Division, Office of Energy Research, and the famous Federal Bureau of Investigation (FBI). *CSI*—the Crime Scene Investigation Bureau—became an immensely popular series of television shows. These operating units are so important in public administration that they give the field its name: *bureaucracy*—that is, a government by bureaus. (As usual, however, we often aren't consistent in calling bureaus "bureaus"—they can be services, divisions, or offices, among other things.)

Bureaus vary dramatically in size and significance. Some of them have long historical roots—longer, often, than those of the departments in which they are currently located. The Public Health Service system traces its origins to 1798, when Congress authorized marine hospitals to care for merchant seamen. Four years later, Congress established the Army Corps of Engineers and soon charged it with improving the navigability of rivers and harbors for civilian as well as military purposes. The Bureau of the Census in the Commerce Department finds its mission in the Constitution's 1789 provision requiring a decennial population census, although the bureau itself dates only from 1902. (Originally, the census was taken by U.S. marshals under supervision of the State Department. After 1850, the Interior Department did the job.) The Bureau of Land Management succeeded the General Land Office (established in 1812), some of whose records bear the signatures of George Washington and Thomas Jefferson.[9] Many other bureaus are old enough to have developed a distinctive culture—a sense of organic institutional life and a doctrine and tradition to which their staffs are dedicated. As we have seen, bureaus do not easily abandon such culture simply at the command of the temporary officials who fill top executive branch positions.

One of the first things that state and local governments did as they became organized was to set up bureaus to deal with the safety, public health, and transportation of their citizens. At the local level, many such organizations date from before the birth of the nation. Even as he was tinkering with lightning rods and his famous stove, Benjamin Franklin created a lending library, a fire brigade, a night watchmen unit, a hospital, a militia, and a university. In his stimulating biography of Franklin, Walter Isaacson quotes the sage of Pennsylvania as writing, "The good men may do separately is small compared with what they may do collectively."[10] Franklin proved a remarkable architect of government bureaus.

Field Offices

In looking at the fascinating politics and complex operations of government agencies, we tend to focus most on what happens at headquarters. When reporters look at an agency, for example, it's easiest to stand in front of the sign for the main building and to personalize it by talking to its head. In fact, of course, most government operations happen far from headquarters. It's one thing to talk about FBI policy, but it only has meaning in the way agents work in the field. A city's police department might have a clear policy about when officers can use armed force, but what matters is the decisions that individual officers make when they confront citizens on the streets. Most big public debates pay little attention to what happens in the field, but the field is where most of the big things happen.

Consider one of the most interesting—and least known—facts about the federal government: 85 percent of all federal employees work outside the Washington, D.C., metropolitan area. California and Texas, combined, have more federal employees than the Washington area. The same is true, of course, for government agencies at all levels of government. Most employees of state correctional systems work in prisons scattered far outside the capital. In local school districts, the superintendents have a relatively small number of support staff, with an army of teachers in local schools. The *Chicago Fire* television show became a hit through episodes on the dramas that developed out of the city's fire stations. Anyone who wants to see public administration in action needs to look at public administration in field administration.

That's always been the case. In ancient Rome, policymakers sat in the capital—and spent much of their time worrying about what was happening in the far-flung provinces. In the days of the British empire, from Hong Kong to the Falkland Islands, off the coast of Argentina, the popular saying was that "the sun never sets" on its rule. So important and far-flung were the colonies, in fact, that the British crown constantly worried that its colonial governors would begin to think and act more like the territories they were governing than of the interests of the government based in London, so the government back in the capital regularly rotated the governors to new posts.

There are two basic strategies for organizing field work. Most agencies work by **function**, with field offices organized by task, from police precincts and fire stations to motor vehicle offices and college campuses. This strategy has the advantage of keeping a crisp specialization on the work to be done. Its disadvantage is ensuring the coordination of agencies doing related work in the same area (fire and police and highway departments all dealing with the same region, whose work on traffic accidents might be interconnected but where it's often proven difficult to coordinate their activities). But there is another strategy, based on area. This **areal system** dates from the Roman Empire, where the army commander controlled all of the government functions within a region. In such a system, each region has a single national official (which is called a *prefect* in some countries, with the structure called a **prefectoral system**) to oversee all national field agents in the area, regardless of their departmental and bureau affiliations.[11] The French prefectoral system, originated by Napoleon Bonaparte, is the model most widely copied.[12] The advantage of the area-based prefectoral system is coordination, because a single prefect is in charge of all government functions in the region. The disadvantage is that this approach sacrifices functional specialization, since the coordinator is by necessity a broad generalist.

In the United States, the typical model is organization by function, because American policymakers have long valued technical specialization. But, as we might expect, that specialization often makes coordination more difficult. This "connecting the dots" problem spills over into many areas, like homeland security, where multiple federal, state, and local agencies have sometimes struggled to talk to each other.[13] Reformers have often tried to solve coordination problems by creating area-based offices; they sometimes replace area-based offices with functional experts. There is an inevitable tension between specialization and coordination choice, and no one over the last several thousand years has yet figured out an organizational strategy to get the right measure of both at the same time.[14]

LEADERSHIP OF THE EXECUTIVE BRANCH

The chief executive—mayor, county executive, governor, or president—might lead the executive branch, but the elements of the executive branch are the creatures of the legislature. We know organizations best by the private-sector model, which puts executives in charge. That often leads us to vastly underestimate the legislature's role in administration. Moreover, it's easy to overestimate the grasp of executives over their branch's work. The federal government is so vast that the president can never pay attention to more than a handful of administrative issues. The same is also true for cabinet secretaries, whose biggest nightmare is discovering a major issue about their department for the first time on the front page of the *Washington Post*—or, for state and local officials, as the lead story on their local news.

At the state and local levels, the executive branch is often little more than a heap of twigs. In most state governments, the governor is only one of five or six popularly elected executive officials, and executive heads of departments and agencies are often chosen by the legislature or by boards and commissions (whose members have overlapping terms) rather than by the governor. In Texas, the old adage was that the governor was actually the third most powerful official in the state, behind the lieutenant governor (who has great power in appointing officials and setting the agenda of the state senate) and the speaker of the house (who runs that body). In her political biography of governor-then-president George W. Bush, Texas columnist Molly Ivins even challenged that ranking, writing only partly in jest that the Texas governor is the fifth most powerful person in the state, behind the lieutenant governor, attorney general, comptroller, and land commissioner, all of whom are independently elected.[15] In recent years, Governor Greg Abbott consolidated power significantly in his office, but the very fact that the question is open to debate is an eye-opener into state politics.

On average, governors appoint less than half of their states' administrative officials (whether with or without legislative confirmation). Some mayors in so-called weak-mayor systems have similar handicaps. More strikingly, even those in strong-mayor systems (and city managers too) find that many functions are vested in other local governments, including special districts for schools, transportation, and water that are a step removed from their control. In many states, the attorney general and the secretary of state (and sometimes other major positions as well, such as regents for the state university system) are elected independently of the governor. In fact, the

state attorney general's election is often a stepping stone to the race for governor, and that often complicates the governor's job as executive.

At the federal level, the president at least has appointment power over the key members of the cabinet, although cabinet officials must be confirmed by the Senate. At the state level, that is often not the case. In many local governments, positions such as clerk of courts, county clerk, district attorney, registrar of deeds, sheriff, and treasurer are often independently elected as well. Coroners are often elected, but in some states there's no requirement that they are doctors—or, in fact, that they have any legal or medical training at all. The fragmentation of administrative organization means that, in many state and local governments, the chief executive may be responsible for the performance of state agencies, but many key officials with whom the executive must work have independent sources of political power.

Problems for Executive Management

The chief executive's primary job is to faithfully execute the laws. As we know, however, such execution is often difficult, for three reasons.

First, top elected executives rarely get their jobs because of their managerial ability and experience. Few have a lively interest in administrative matters, and they must tend to the politics to survive. Before Barack Obama became president, the largest organization he had run was his U.S. Senate office, which was microscopic in size compared with the executive branch. Donald Trump ran for office on his claim of successfully running a vast business empire, but experts estimated that the Trump Organization had no more than 4,000 employees across the world—and only about 150 employees at its New York headquarters.[16]

Presidents quite properly devote much of their energy to making foreign and domestic policy decisions and to resolving crises. They work to influence Congress and to build support with major interest groups and the public. Presidents know that they will not be judged by their administrative achievements, but they also know that their power depends on how well administration responds to their policies.[17] The same is true for governors, county executives, and mayors. One exception is when the government fails to solve major problems, which can prove fatal at the polls. For example, George W. Bush's "negative" ratings exceeded his "positives" following the debacle with Hurricane Katrina, and he never recovered politically.

Second, although top executives appoint cabinet and subcabinet officials, these officials often develop independent power bases among legislators and interest groups. Many of them don't stay in the job long. Presidential appointees, including department heads, their undersecretaries, and their assistant secretaries, often have brief tenures: two years is the traditional median. A third remain in their positions for eighteen months or less, and only a third stay as long as three years.[18] Many of them are policy wonks who have never run a large organization. Others are political allies of the president, who rarely have strong technical knowledge. Moreover, most department heads rarely have a free hand in assembling their teams of subordinates, and that further weakens control over the executive branch operations. The door is always revolving at the top of the executive branch, at all levels of government.

Third, interdepartmental friction points have multiplied. As problems have become more complicated, most agencies find that they must work with others to get their job done, and that

complicates the challenge of determining who is in charge of what. Because a department has relatively fewer things to itself, it is more difficult to hold the single department head responsible for its results.

In New York City's Lower East Side, for example, a September 2005 call for help led to a raging battle among emergency responders. A woman suffering from Alzheimer's disease was threatening to use a knife to cut herself. A fire department ambulance arrived to help. So did a volunteer Jewish ambulance crew. But an argument erupted between a member of the Jewish ambulance crew and a police officer. The police arrested the volunteer ambulance crew member and the battle spilled over into a noisy shouting match pitting the police against friends of the arrested crew member. New York State Assembly Speaker Sheldon Silver, who lived in the neighborhood, personally intervened to cool the tempers, but that only enraged the police.

Some officers contended that they had been forced to give the ambulance crew member preferential treatment because of political pressure. Supporters of the volunteer ambulance crew member contended that their volunteers could have given the woman better care because they were from the neighborhood and spoke Yiddish. The dispute simmered for a long time. Should the city pay attention to the special neighborhood/area-based considerations in the case? Or should the functional specialization of the city's ambulance crew rule?[19]

Reinforcing these trends is the growing size, power, and reach of the executive office itself. Let's take a look at that at the federal level.

The Executive Office and the White House

As long ago as 1937, in transmitting to Congress the report of the President's Committee on Administrative Management (the Brownlow Committee), Franklin D. Roosevelt recognized the enormous burden of trying to manage the executive branch:

> The Committee has not spared me; they say what has been common knowledge for 20 years, that the President cannot adequately handle his responsibilities; that he is overworked; that it is humanly impossible, under the system which we have, for him fully to carry out his constitutional duty as Chief Executive. . . . With my predecessors who have said the same thing over and over again, I plead guilty.
>
> The plain fact is that the present Organization and equipment of the executive branch of the Government defeats the constitutional intent that there be a single responsible Chief Executive to coordinate and manage the departments and activities in accordance with the laws enacted by the Congress.[20]

As a first step, following the passage of the Reorganization Act of 1939, Roosevelt established the Executive Office of the President, transferred to it the Bureau of the Budget (from the Treasury Department), and set up its other units, among them the White House Office. The modern White House establishment was born.

From its relatively modest beginnings, with 631 employees in 1939, the Executive Office had expanded to include about 1,600 employees in the Obama administration.[21] In addition, the White House has long had additional employees detailed to it from executive departments,

many of them appointed to department rolls specifically for White House service.[22] It was "the swelling of the presidency," as Thomas Cronin has called it.[23]

Not only has the number of Executive Office employees increased, but their role has changed as well. In 1937, the Brownlow Committee proposed that six presidential assistants be added to the three White House secretaries (who dealt with Congress, the public, and the media). Contrast the powerful position of recent presidents' aides to the committee's stipulation of the role of the proposed assistants:

> These assistants, probably not exceeding six in number . . . would have no power to make decisions or issue instructions in their own right. They would not be interposed between the President and the heads of his departments. They would not be assistant presidents in any sense. . . . They would remain in the background, issue no orders, make no decisions, emit no public statements. . . . They should be men in whom the President has personal confidence and whose character and attitude is such that they would not attempt to exercise power on their own account. They should be possessed of high competence, great physical vigor, and a passion for anonymity.[24]

Surprisingly, eight former chiefs of staff to presidents from Eisenhower to Carter emphatically endorsed this description of the role of presidential assistants.[25] The "passion for anonymity" phrase has proven memorable, but it doesn't have much basis in reality.

The White House staff is now so large, multitiered, and specialized that it is increasingly hard to coordinate the coordinators.[26] In fact, says a Carter aide, "even those at the highest levels—assistants, deputy assistants, special assistants—don't see the President once a week or speak to him in any substantive way once a month," and that has since become even more pronounced.[27] Infighting among staff members to gain the president's ear has plagued every modern president. Even the tightly disciplined staff of George W. Bush found itself plagued by books and newspaper stories alleging deep rifts between key advisers. In the Obama administration, a large number of "czars" produced extra White House layers that distanced cabinet officials from the president and created new stovepipes inside the White House apparatus. During the Trump years, the president went through a series of chiefs of staff and vicious infighting that reverberated through the rest of the executive branch.

A frequent proposal to solve these problems is to shrink the size of the White House staff, but others have seen the staff's growth as the inevitable result of the president's increasing leadership responsibilities, attributed to a weakening of congressional leadership and of political parties, as well as the rise of presidential use of public relations technologies. "Instead of trying to wish it away," says political scientist Samuel Kernell, "the presence of a large, complex staff must be accepted as a given and its problems addressed forthrightly. . . . The President must give the staff clear direction and vigilantly oversee its performance."[28]

The White House office is full of policy advisers who cut large swaths across the government. In the Trump administration, for example, the president's son-in-law, Jared Kushner, had a vast portfolio, ranging from information technology to the Middle East. In theory, their role is to provide a wide range of advice to the president in making policy. In practice, their growing power spills over into the operation of government programs, such that it's often difficult to separate

advice from administration. In fact, presidents tend to like to guard the control over administrative issues most important to them, although the Obama administration's neglect of details surrounding the launch of its landmark health reform program damaged the president greatly.

E-GOVERNMENT

The rise of desktop computers and the internet in the 1990s led to a radically new approach to government's organizational problems. Government officials began recognizing that citizens did not necessarily need to come to government to transact public business. The spread of always available electronic connections made it possible to build systems to allow citizens to file their taxes, renew their motor vehicle registrations, check on traffic congestion, obtain a police report, pay a traffic ticket, or apply for a job. In almost every government, citizens can connect electronically to access a vast array of services.

Taxpayers, for example, increasingly file their tax returns electronically with the IRS—96 percent, in fact.[29] It's good for the IRS, since the agency avoids the costs of printing and mailing millions of forms and inputting the data from all the returns. For taxpayers, it means that returns are processed far more quickly and that refunds arrive within a couple of weeks. The result is greater efficiency for everyone—and more money, faster, for taxpayers. The e-filing movement has created a vast industry in computer programs like TurboTax and TaxCut, and it's squeezed out armies of tax preparers used to seasonal work helping citizens file their forms.

E-government has spread far beyond the tax system. In Phoenix, Arizona, citizens can conduct a wide range of transactions with the government without having to leave their keyboards. They can get permits and pay taxes and fines. They can sign up for classes on irrigation and landscaping, get a parking permit or buy surplus city equipment, view city maps, or watch the city's online television channel, all at http://phoenix.gov/eservices. The array of e-government services has vastly expanded since the early 1990s, and it's now universal. In the state of Maryland, citizens can complete the required smog inspection of their vehicles by driving to one of the state's inspection kiosks, at a time that's convenient for them—not for the state. They can scan their form, insert a credit card, and use a do-it-yourself connector to complete the test. Many local governments have online systems that allow citizens to track the location of snowplows or to check traffic cams for congestion. Local governments often feed information about road closures from parades and festivals into Google Maps so drivers can avoid getting stuck in traffic jams. When it comes to investigating crimes, many communities have vast networks of cameras. Some are capable of reading license plates and tracking cars over long distances. Others have listening systems to zoom in on gunfire. Many police departments have developed partnerships with private camera systems to allow them to track suspects—sometimes even cameras built into residents' doorbells. State highways in cold regions often have sensors to detect when the roadway is near freezing temperatures. Others have sensors to transmit indicators about the structural integrity of bridges.

The U.S. Customs and Border Protection agency developed a new series of "trusted traveler" programs, including the Global Entry program that allows air travelers to be screened in advance and then bypass long immigration lines when reentering the country, just by scanning

their passport and fingerprints at a handy kiosk. The Transportation Security Administration's "PreCheck" program gives flyers an express lane for screening—and it allows them to keep their shoes on and computers in their backpacks when going through security screening.

Structure still matters, but technology has created vast new opportunities for creating information, improving service, and strengthening coordination in ways that help solve the eternal problems of administration, without having to resort to endless patterns of reorganization. Internet-based communication, especially social media, has likewise transformed the connection between citizens and their government. No public official is without a Twitter account.

E-government has brought a series of important implications. First, it has revolutionized government performance. From processing taxes to going through airport security, citizens' interaction with government has become fundamentally different—and better—because of e-government.

Second, e-government can enhance the ability of citizens to connect more easily with government. Web portals such as the federal government's USA.gov and the Commonwealth of Virginia's Virginia.gov allow citizens to think in terms of the services they want to access, without necessarily having to determine in advance which government agency provides them. For example, it can take time to figure out that in order to obtain a passport, one needs to obtain a photograph from a private photographer, visit a post office (run by the U.S. Postal Service), and submit a passport application to the U.S. State Department. On USA.gov, one can simply type in "passport" to find these instructions.

Third, the rise of e-government raises questions of access and equity. Not everyone has access to the internet, let alone the high-speed internet that's required to conduct complicated transactions. As mobile phone networks move into the 5G era, access to the systems required to make e-government work will become ever more important—and differences in access are increasingly likely to increase inequality among citizens.

Fourth, the advent of e-government also raises significant organizational questions. Freed from dependence on traditional government bureaucracies, e-government can operate in a loose, even invisible network, which offers the chance for creating new virtual strategies for linking governmental organizations. Such technology is unlikely to solve government's eternal coordination problems, but it does offer new strategies and tactics for doing so. However, in attacking the problem through information systems instead of through bureaucratic hierarchies, e-government also has the potential for radically altering the existing patterns of bureaucratic behavior, authority, and power. It raises serious questions of security and privacy, to ensure that sensitive information is kept safe.

Moreover, as Jane E. Fountain wrote, the e-government movement "may allow bureaucrats less opportunity to use their accumulated experience and judgment, or tacit knowledge, to consider exceptional cases that do not conform to standardized rule-based systems." Indeed, she concluded, "The state is being reconstructed as organizational actors enact new technologies to reshape relationships in the state and the economy."[30] Public officials have sometimes found themselves surprised by issues that bubble up in blogs, and they have sometimes scrambled to address virtual issues that they had not previously encountered through their traditional communication channels.

Given the tremendous changes in information technology over the past half-generation, it is hard to guess where the next generation will take us. Although, as one study concluded, "E-gov is not yet the 'killer app' among the available tools to contact government,"[31] it will continue to develop, with government agencies creating strategies for new applications and other real-time links between citizens and their governments. These technological changes will present deep and fundamental questions for the operation of government—and for the future of democracy.

CONCLUSION

The executive function is about creating effective strategies for coordinating complex systems—and to deliver value to citizens. The goal has long been to ensure continuity between policymaking and administration, yet the best path is anything but clear. It is impossible to manage complex work without breaking it down into its component parts and then building strong competence in bureaus to carry it out. But dividing complex jobs into bureaus risks creating overlaps for some problems and gaps through which others may fall. Coordination is essential for administration, and organization is perhaps the most basic tool for achieving it. No matter how hard they try, however, government officials can never fully solve the coordination problem, and their efforts to solve some parts of the problem can sometimes create new and unexpected issues. The search for the solution to coordination problems is never ending, with e-government and web-based technology offering hard-to-predict new opportunities.

This fundamental dilemma of administration points to three problems. First, government struggles with interconnectedness. Information technology does not yet surmount all the organizational obstacles to effective coordination. Top officials then face the challenge of developing enough expertise in their agencies without having the process break down into insulated units that don't talk to each other.

Second, executives must increasingly work through blended policy tools to get their work done. That requires a new kind of leadership to make coordination work.

Third, the perennial tension between those who carry out government's work—"line" officials—and those who provide advice—"staff" officials—continues to plague executives. Staff officials rarely want to stop at giving advice, but top officials don't want simply to follow the counsel of their line managers without careful checking by the staff. These are deep and enduring issues, and we turn to them in the next chapter.

CASE 6.1: THE BOSTON MARATHON BOMBING: EFFECTIVE COORDINATED RESPONSE

In the week between the tragic bombing at the 2013 Boston Marathon and the surviving suspect's arraignment in his hospital room, we saw how far homeland security has come since the September 11 terrorist attacks. The message is overwhelmingly good.

We saw tremendous bravery in the moments after the bombs exploded, as citizens and first responders raced toward the victims without regard to whether more bombs were primed to explode. Civilians applied tourniquets to prevent some of the wounded from bleeding to death. The field station, originally set up to treat chilled, dehydrated runners, quickly became a triage station. The city's network of ambulances, police, and hospitals responded magnificently, in large part because they had practiced over the years for just such a day.

In the immediate aftermath of the blasts, we learned again the fundamental lessons: all homeland security events are local, beginning with local consequences that require local officials to respond. We learned that effective response depends on robust relationships among people who have learned to work together before events happen. And we learned that skilled, problem-focused improvisation can fill in the gaps.

Moreover, we've also learned again that good homeland security is intergovernmental, interagency, intersectoral—and enlists ordinary Americans. While the FBI managed the scene, it was a regional Massachusetts Bay Transportation Authority SWAT team that took the suspect down. The first photos of the captured suspect showed federal tactical officers wearing FBI and ATF gear. And don't forget, during the manhunt for the suspect, it was a citizen who found him hiding in a boat. Citizens often worked the front lines, making "Boston Strong" more than a T-shirt message and demonstrating that "if you see something, say something" is far more than a cliché.

The very same week of the alleged bomber's arraignment, the opening of the George W. Bush Presidential Center recalled these same balance-of-responsibility questions. In the center's Decision Points Theater, visitors are asked to relive one of four big moments from the Bush presidency. Listening to briefings from former White House chiefs of staff, participants are immersed in the events as they unfold. In the case of Hurricane Katrina, for example, they're asked what should President Bush do—deploy federal troops or rely on local forces?

The contrast between Boston's lessons and the theater's questions could not be bigger. The Bush administration's initial response to Katrina was anything but successful, with citizens stuck at the Superdome and political support crumbling. During Katrina, the questions about who was in charge and whether to deploy federal troops or rely on local forces preoccupied the Bush White House. In Boston, we learned yet again that this is precisely the wrong question. We've been crippled most when we battle over who's in charge; we succeed best when we send out the best we have to those who need it most.

This is what retired Coast Guard Admiral Thad Allen calls "unity of effort" instead of "unity of command." After the battle between New Orleans, Baton Rouge, and Washington hamstrung the government's Katrina response and cost FEMA Director Michael Brown his job, President Bush sent in Allen. The no-nonsense admiral pushed the bureaucratic squabbling aside, figured out who had which assets to solve which problems, and promised everyone on the front lines that he had their backs. In remarkably short order, Katrina moved from a monument of government failure to a model of effective response.

In Boston, unity of effort drove success in the federal-state-local-private-public-nonprofit-civilian response, just as it eventually did after Katrina when Allen took the helm. The badges on the uniforms didn't matter as much as the capacity to get the job done. And the job got done.

The prevention side remains a huge challenge, and stories continue to trickle out of dots unconnected among federal agencies. But on the response side, we've come light years since the painful days of the 2001 terrorist attacks and the 2005 hurricane. It's heartening to see that we know how to learn, and that we've been able to apply winning strategies to tragedies like Superstorm Sandy and the Boston Marathon bombing.

The Bush Presidential Center poses the big and irresistible "who's in charge" question. The remarkably brave response in Boston shows us why this is the wrong question. Effective response begins with a strong, integrated, practiced-in-advance local response coupled with a nimble problem-solving ability.

More fundamentally, we've learned again that our really important challenges are too big for any one agency, any one level of government, or even government itself to try to control. Someone has to be in charge to make sure that coordination happens. But the job of the field commander isn't barking orders; it's identifying the assets that are needed, who has them, and how to get them to where they're needed. In the end, what works is focusing more on solving that problem than solving who's in charge.

Questions to Consider

1. Consider the questions posed to visitors to the Bush presidential library. What would *you* do in the midst of a crisis like Katrina or the Boston Marathon bombing: deploy federal troops or rely on local agencies?
2. Now, step back. Are these cases so different that comparisons make little sense? If so, how would you sort out the question of who ought to respond to which problems? If you think they are alike enough to make comparisons, how would you draw lessons?
3. What lessons do these large-scale events have for organizational theory and effective government operations?

Note: This case comes from my column in *Governing* (June 2013), http://www.governing.com/columns/potomac-chronicle/col-boston-bombing-highlights-homeland-security-done-right.html.

CASE 6.2: WHICH WAY FOR CHEESE? CONFLICTING POLICIES AT THE U.S. DEPARTMENT OF AGRICULTURE

Not long ago, the Domino's pizza chain was in trouble. Sales were down and even the company's advertisements acknowledged it was not making a very good pizza. But Dairy Management, a nonprofit trade association, came riding to the rescue, with pizza design help and $12 million for a new marketing campaign. The result was a new pizza with 40 percent more cheese, and people loved it. Sales soared and the company began to climb out of the fast-food cellar.

Dairy Management also helped Taco Bell invent a new steak quesadilla, which mixed together pepper jack, mozzarella, and cheddar cheeses, along with a creamy sauce. People loved it, in part because it had eight times more cheese than most other items on the Taco Bell menu.

Dairy Management has become a huge player in the food business.[1] Americans eat an average of 33 pounds of cheese each year, and Dairy Management aims to increase that total. With its $140 million annual budget, it has worked with Pizza Hut to develop its Cheesy Bites pizza, with Wendy's on the Double Melt sandwich, and with Burger King on the Angus Bacon cheeseburger. The organization's goal is to convince Americans to eat more cheese—and

to expand the market for cheese producers. In 2007, its efforts increased cheese sales of almost 30 million pounds, and cheese producers love it.[2] The association has been tremendously successful in bringing more cheese to restaurant menus and into supermarkets, and it was behind the wildly successful "Got Milk?" campaign.

Dairy farmers contribute to a fund to help promote the consumption of dairy products. The U.S. Department of Agriculture (USDA) collects the funds and disburses them under a program created by Congress.[3] The program is self-funded, but USDA oversees its operations to ensure the activities are consistent with the law that created the nonprofit corporation designed to encourage dairy production. In addition, USDA regularly reports on its operations to Congress.[4] Is it a governmental organization? No. Is it connected to the federal government? Yes, through the collection and distribution of money and through policy oversight.

In other parts of its operation, USDA is working hard to encourage Americans to make so-called healthier food choices. It's easy to blast past government-recommended levels of saturated fat consumption with a couple of slices of Domino's pizza. USDA's Nutrition.gov program is making an aggressive effort to encourage Americans to reduce their consumption of fatty foods, especially saturated fats. It points out that "a healthy eating plan is one that:

- Emphasizes fruits, vegetables, whole grains, and fat-free or low-fat milk and milk products.
- Includes lean meats, poultry, fish, beans, eggs, and nuts.
- Is low in saturated fats, trans fats, cholesterol, salt (sodium), and added sugars."[5]

First Lady Michelle Obama added her own voice to the healthy eating campaign. She told the American Restaurant Association that "One local survey found that 90 percent of those menus includes mac and cheese—our children's favorite; 80 percent includes chicken fingers; 60 includes burgers or cheeseburgers." It's important, she said, to "make a commitment to promote vegetables and fruits and whole grains on every part of every menu. We can make portion sizes smaller and emphasize quality over quantity. And we can help create a culture—imagine this—where our kids ask for healthy options instead of resisting them." She concluded by saying, "I hope that each of you will do your part to give our kids the future that we all know they deserve."[6]

Questions to Consider

1. What do you make of these contradictory policies within a single federal department: one that encourages the consumption of dairy products and another that urges their consumption in moderation?
2. Do you think it makes a difference that USDA's role in the Dairy Management association is indirect?
3. If you were the leader of USDA, would you have an obligation to reconcile these competing programs? Or would you view it as an inevitable product of the political battles within American pluralism?

Notes

1. See Dairy Management Inc.'s website, http://www.dairyinfo.com.

2. Michael Moss, "While Warning about Fat, U.S. Pushes Cheese Sales," *New York Times* (November 6, 2010), http://www.nytimes.com/2010/11/07/us/07fat.html.

3. See *Dairy Today* Editors, "Dairy Management, Inc. Answers *New York Times* Allegations" (November 15, 2010), http://www.agweb.com/article/dairy_management_inc_answers_new_york_times_allegations/.

4. See U.S. Department of Agriculture, *Report to Congress on the National Dairy Promotion and Research Program and the National Fluid Milk Processor Promotion Program* (July 1, 2002), https://www.ams.usda.gov/sites/default/files/media/2012%20-%20Dairy%20Report%20to%20Congress.pdf.

5. See U.S. Department of Agriculture, "Finding Your Way to a Healthier You: Based on the *Dietary Guidelines for Americans*," http://health.gov/dietaryguidelines/dga2005/document/html/brochure.htm.

6. Michelle Obama, "Remarks by the First Lady in Address to the National Restaurant Association Meeting" (September 13, 2010), https://www.whitehouse.gov/the-press-office/2010/09/13/remarks-first-lady-address-national-restaurant-association-meeting.

CASE 6.3: REPRESENTATIVE ROY ISSUES A CALL TO ARMS

Following the 2022 midterm elections, when the Republicans fared far less well than they had expected, Representative Chip Roy (R-Tex.) issued a searing call to arms to his fellow Republicans.[32] "Leadership is not a title," he wrote. "It's an action." And the actions he called for sketched out a broad agenda for his colleagues in the House. He began:

> Republicans are poised to take back the U.S. House of Representatives. That is a good thing: Being in the majority offers oversight power and a powerful check, currently absent in Congress, on an administration recklessly wielding executive power. . . . It's time we demonstrate resolve to restore common sense to national leadership and demand that we actually change the broken ways of Washington. It's time to get back to basics, embrace expansive federalism, and radically empower the people so that we can agree to disagree and not constantly be at each other's throats.

And then he continued, "Now, we have an opportunity to paint with bright, bold colors and lead. It's time." To do so, he argued,

> We must stop spending money we do not have. Period. It's causing inflation, weakening our security, and selling out our children's inheritance. It's funding a federal bureaucracy that strains our differences, worsens our tensions, and erodes our God-given liberties. We can't just promise it; we have to stop it.
>
> We must end the politicization and weaponization of government against Americans in advance of radical woke ideology. Consider the NIH and CDC pushing lockdowns and giving immunity to giant corporations; the FBI targeting parents who question school boards or gender surgeries; the IRS looking to target people in the name of revenue. Again, all of this is fueled by rampant and reckless spending of money that we do not have.
>
> We must restore sovereignty and the rule of law—beginning with a strong, secure border for both the well-being of Americans and the migrants who seek to come here, but, more importantly, because the rule of law matters. Open borders empower China and cartels while destabilizing our economy and the entire Western Hemisphere. We can and should stop that by demanding we turn away and detain rather than simply encounter and release.

> We must end the meddling by government in the lives of Americans—lockdowns and mandates, and, in particular, the COVID-19 vaccine mandates causing people to lose jobs for daring to want to care for their own health.

From there, Roy turned to a direct attack on the Biden administration:

> It is our duty to use the power of the purse boldly to force the Biden administration to the table to make changes. As James Madison wrote in *Federalist* 58: "The House of Representatives cannot only refuse, but they alone can propose, the supplies requisite for the support of government. . . . This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people."

Questions to Consider

1. Consider Representative Roy's perspective on executive power and public administration. How would you assess his argument?
2. What points would you make in support of his point of view?
3. What points would you make in opposition to his point of view?
4. What does this op-ed suggest about the state of public administration heading into the second quarter of the twenty-first century?

KEY CONCEPTS

areal (or prefectoral) system
bureaus
cabinet
coordination
function
government corporations
independent agencies
regulatory commissions

FOR FURTHER READING

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SUGGESTED WEBSITES

The National Academy of Public Administration conducts excellent research on the management of the executive branch and on management problems within individual agencies, making its reports available on its website, **www.napawash.org**. In addition, the Government Accountability Office, **www.gao.gov**, is an invaluable source for analysis of both management and policy issues.

For information about employment trends in the federal government, see the Office of Personnel Management's Federal Employment Statistics webpage, **www.opm.gov/feddata**.

Moreover, the Partnership for Public Service produces a vast and invaluable reservoir of research on the management of the federal government, ranging from its "best places to work" study to analyses on the roles of agencies like OMB. See **https://ourpublicservice.org**.

There is an enormous amount of information about e-government available on the web. An excellent foundation for exploring the federal government's websites is the federal portal **www.usa.gov.** Most state and local governments have webpages and portals as well; among the very good ones are those for the Commonwealth of Virginia, **www.virginia.gov**, and for the city of Phoenix, **http://phoenix.gov.**

Product Limits
Limits are temporary and necessary for you and your neighbors to find the products you need.
Baby Formula
Limit 2

In 2022, parents scrambled to find baby formula after one of the country's major manufacturers shut down a plant because of worries about contamination. At this Austin grocery store, the shelves were nearly empty.

Source: Stephanie Tacy via AP

7 ORGANIZATION PROBLEMS

LEARNING OBJECTIVES

- Understand the fundamental values of public administration
- Understand the sources of organizational performance problems
- Examine the strategies to improve coordination
- Chart the advantages and disadvantages of structural reorganization to solve organizational problems

If there's anything that most everyone *thinks* they know about public administration, it's that it just doesn't work well. News reports are full of tales ranging from overpayment for military equipment to excessive delays in responding to fire calls. *Fortune* began a story about city government by saying they "aren't exactly known for innovation. 'Get in line,' 'fill out this form' and 'you need a permit' are the bureaucracy's invariable responses to virtually any question."[1] When in 2022 sanitation problems shut down the Michigan factory that manufactured much of the country's baby formula, Utah Governor Spencer Cox pointed the finger at the federal government. "This is a colossal failure of government, of different government agencies," the governor complained. "It's a colossal failure of our federal government's trade barriers and tariffs—policies that have been misguided for a long time, and now it's rearing its head in the worst of ways."[2]

Cynicism reigns. It's impossible to go more than one or two nights watching television news shows without seeing a story about how something in government failed to work.

In truth, most governmental programs work very well most of the time. But Americans are never far from their revolutionary antigovernment spirit, and bureaucracy is often the target. Because their expectations about government are often very (sometimes impossibly) high, anything short of exceptional performance tends to disappoint. Tales of waste, fraud, and abuse only feed the worst fears of angry taxpayers. A surefire staple of television newsmagazines is the "can you believe your government did this?" story. There are far fewer stories reporting that "emergency responders risked lives to save citizens." Government often gets blamed for private-sector failures, like the baby formula crisis.

Of course, private-sector organizations are scarcely immune to waste. The U.S. Environmental Protection Agency, for example, estimates that Americans dispose of more food than anything else in their garbage. One-third of the food that suppliers produced was not eaten and ended up in landfills.[3] Fast-food restaurants, in fact, throw out large quantities of the food they cook, to make sure that they can satisfy their customers. Waste is an important part of their business strategy: they would rather throw out food than to give customers stale or cold food. In 2008, amid the nation's financial crisis, one of the oldest and most distinguished investment banking firms, Lehman Brothers, disappeared almost overnight. Smaller miscalculations are simply buried in corporate balance sheets.

Success comes to corporations that solve problems and make money. Those that lost money will go under. In government, however, public administrators don't have the choice of going out of business—their missions exist by law, and the law requires them to administer their

programs. The public expects high performance as a matter of routine, and government often ends up with jobs that the private sector will not or cannot do. Problems with—and complaints about—how government handles those chores are inevitable and are sometimes splashed across the headlines for everyone to see.

Problems of waste, fraud, and abuse are inevitability political problems because they undermine the legitimacy of public organizations. And because so many of the problems are rooted in organizational structure, they are political problems because, as Jack Knott and Gary Miller point out, the very choice of organizational structure itself "is inherently political; we must ask 'who gets what?' from any institutional arrangement."[4] Politics and performance are intertwined, not only in defining what organizations do and how they do it, but also in how they might work better.

THE FUNDAMENTAL VALUES

These basic puzzles, as Herbert Kaufman recognized in a classic 1956 article, have long revolved around three basic organizational values: **neutral competence**, **executive leadership**, and **representativeness**.[5]

The quest for *neutral competence* calls for the creation of a highly skilled bureaucracy insulated from the political interference that can undermine efficiency. This does not mean that bureaucracy is politically unaccountable or unresponsive; rather, it means that organizational designers must minimize political meddling in issues that address the technical parts of administration.

The quest for *executive leadership* calls for a strong elected executive—president, governor, mayor—and strong and loyal department heads, all politically chosen. It also calls for a strong hierarchy that ensures the responsiveness of organizational units to the elected executive's policy priorities.

The quest for *representativeness* calls for organizational arrangements that respond to legislative interests and to the clienteles most affected by agency decisions.

In American government, we have long professed strong allegiance to each of these values. We seek them all, simultaneously and enthusiastically. Because they obviously conflict, we never quite get what we want from bureaucracy. It cannot deliver on all of the contradictory things we ask of it. That, in turn, fuels a relentless drive to tinker and reform. Sometimes we find a better solution, but often we simply substitute one set of values for another. Every reform sets the stage for the next round of political complaints and even more reform.

THE SEARCH FOR EFFECTIVE ORGANIZATION

Why, despite eternal calls for better administration, do governments' problems recur? Consider the ongoing problem of coordinating emergency response in New York City. In 1988, the New York City police and fire commissioners nearly came to blows in the mayor's presence because of their departments' long rivalry over the handling of emergencies and rescues. In one case, police blocked fire department scuba divers from joining the search for survivors of a helicopter

crash in a river. The police were jealously guarding an image as saviors, not just arresters. The city's firefighters, underemployed by a decade's 40 percent decrease in fires and fearing a loss of jobs, were seeking new emergency responsibilities comparable to those of other cities' fire departments. They promised a faster response to emergencies than the police department could manage. It took a detailed treaty in 1990, negotiated between commissioners appointed by a new mayor, to bring peace.[6]

That treaty did not solve the basic problem, however. On the morning of September 11, 2001, the NYPD's helicopter hovering above the World Trade Center towers had a better perspective on the buildings' condition than did the rescuers below, but the police helicopter crew had no way of telling firefighters inside that the towers were about to collapse. Meanwhile, fire commanders in the lobbies of the two buildings often lost radio and telephone contact with their firefighters on the upper floors. These communication problems, both technical and bureaucratic, had tragic consequences.[7] In the aftermath of the buildings' collapse, everyone promised that the problems would never recur. Years after the terrorist attacks, however, the two departments continued to tussle over who would oversee the new integrated command centers. Fire officials explained that they could not risk a command structure that put their forces under the control of other officials who did not really understand firefighting. Police officials said the same thing. Each side had a point, but even high-level peace treaties failed to resolve the underlying conflict.

The big issues of public administration today are often just new versions of very old problems. It can sometimes help to know that there are often no easy, good, or lasting solutions (although it can also be discouraging that the biggest problems often don't have solutions that stick). Most often, problems are new versions of the eternal search for better **coordination**. The instinct to build strong functional competence often creates barriers to coordination across organizational boundaries. That, in turn, often makes elected officials and policy analysts very cynical. Unresolvable problems invite criticism, and their unresolvability invites political interference. Why insist on neutral competence if it seems to produce incompetence?

American government tends to sort out these issues through four general approaches: (1) the choice among criteria of good organization, (2) interagency conflict, (3) interagency coordination, and (4) the role of staff in supporting and controlling operating activities.

Good Organizations

From the building blocks of organizational theory comes a handy checklist for assessing what makes for a good organization, as a federal task force concluded. Here's the checklist:

- *Public acceptance:* the amount of trust the public places in the integrity, fairness, and judiciousness of the information and decisions a system generates
- *Adaptability:* the ability of a system to react quickly and positively to changes in (a) technology, (b) major public policies, (c) international developments, (d) state–federal relationships, and (e) economic conditions
- *Consistency of decisions:* the degree to which a system promotes consistent policy decisions

- *Professional competence:* the degree to which a system makes it easy to recruit high-caliber professionals and makes effective use of their talents
- *Participation, representation, and diversity:* the degree to which a system provides for diverse public inputs to governmental decision-making
- *Effective database:* the capacity of the system to generate, verify, and use reliable and complete information
- *Cost and timeliness:* the reasonableness of the expense and time required by a system to yield decisions
- *Promotion of private efficiency:* the extent to which a system avoids unintended pressures on private decision-makers in their choices of technology, markets. . . , and other decisions
- *Accountability to the president:* the extent to which a system provides clear lines of executive authority
- *Accountability to Congress:* the extent to which a system provides clear data for congressional review and clear charters of responsibility for carrying out congressional mandates
- *Compatibility with state regulation:* the extent to which a system . . . fosters effective state–federal relationships[8]

Most important, the 1974 task force concluded,

> Each criterion is important, but all cannot be satisfied at the same time. For example, it is unlikely that a system that yields the fastest decision and also entails the least administrative cost would rank among the best systems with respect to public credibility or public participation. In short, the design of any [organizational] system requires compromises and tradeoffs among desirable attributes.[9]

There is no formula to guide these trade-offs, so the inevitable battles often prove very frustrating. But it would be foolish to abandon the quest for better answers because no answer works perfectly. Critics often want government to behave more like the private sector, but government often works with different problems, its leaders rarely have the control over their organizations that private executives have, and private executives rarely have to work within the political constraints facing public executives. That makes resolving interagency conflict a top priority.

Interagency Conflict

The very choice of organizational structure for one agency often fuels the conflict with others. Spotless windows were a rarity in Queen Victoria's nineteenth-century English palace, because their outside cleaning was under the control of the Woods and Forests department, their inside cleaning was the responsibility of Lord Chamberlain's department, and the work schedules of the two departments often did not match.[10] The queen could rarely view her kingdom through clean windows. Connecting the dots isn't a new problem.

The standard approach for solving coordination problems is to ask the official at the next step above the dispute to work out a solution. The more coordination problems there are, however, the heavier the burden on higher officials. No one wants two different agencies to waste resources doing the same thing—or to risk having important problems fall through the cracks between two agencies, each of which assumes the other will deal with the problem. Coordination is a basic goal of complex organizations; making it happen is a basic problem. Coordination problems sometimes arise from a mismatch of organizational strategies.

Classical organization theory, drawn from Luther Gulick as we saw earlier in this book, suggests four different strategies: organization by purpose, process, clientele, and place. Agencies organized by one strategy can encounter coordination problems with agencies organized by another. In addition, there are often conflicts among organizations organized by function, when several agencies believe they each are primarily responsible for the same issue. It's worth reviewing the basic organizational theory approaches, this time in the context of coordination.

Purpose versus Clientele

The U.S. Department of Health and Human Services (HHS) is a purpose-based organization, and it serves the general population through welfare programs, health research and health system financing, and food and drug regulation, among other functions. The Department of Veterans Affairs (VA) and the Interior Department's Bureau of Indian Affairs (BIA) are clientele based. These single-clientele agencies perform or arrange for many services for their special groups that HHS would otherwise provide for them under its general, national programs. The VA, for example, runs the nation's single largest health and hospital care system, whereas the BIA has its own health clinics—and each operates independently of other health agencies organized by function at the federal, state, and local levels.

The decision to focus on purpose versus clientele inevitably creates tensions. HHS cannot claim to speak for a truly national health or welfare policy, nor can it assert coordinative authority to ensure equity and consistency in policy execution. Many of the horror stories of administration—two or three agencies building hospitals in a locality that needs only one, or agents of the purpose-based Federal Bureau of Investigation (FBI) being killed while serving warrants on an Indian reservation that is under the jurisdiction of the clientele-based BIA—are results of the crisscrossing of jurisdictions of purpose-based agencies and clientele-based agencies.

A reverse situation occurs when a clientele-based agency embraces inconsistent or even contradictory purposes. Many industry-based agencies seek both to promote and to regulate the industry they are assigned to monitor. For instance, the federal agencies regulating both atomic energy and mines tended to emphasize promotion over control in their respective spheres. Congress feared that the existing Atomic Energy Commission was neglecting protection of the public health and safety, so it moved that function to a new Nuclear Regulatory Commission and placed nuclear energy promotion in the new Department of Energy. The goal of the Interior Department's Bureau of Mines was "to stimulate private industry to produce a substantial share of the nation's mineral needs in ways that best protect the public interest,"[11] but it also was the agency charged with protection of the health and safety of coal miners through mine inspections and enforcement actions. Mine disasters and the resulting public outcry led Congress to

transfer the protective function from the Interior Department to a new Mine Safety and Health Administration in the Department of Labor.

In both the nuclear energy case and the coal mining case, a single agency faced the incompatible tasks of fostering an industry while constraining it through health and safety standards. Similarly, state officials have often been criticized for trying both to control and promote gambling out of a single agency. State environment and parks agencies regularly find themselves caught up in battles between anglers and hunters, who want easy access to the best sporting spots, and environmentalists, who seek to protect scenic parks from snowmobilers and all-wheel-drive vehicles.

Function versus Area

Other conflicts often grow up within departments. Many departments, from local public works agencies to the federal Forest Service, are organized by both function and area. The State Department, for example, manages the nation's foreign policy, and its traditional internal organization is by region and country. Alongside the place-based offices are functional bureaus focused on politico-military affairs (e.g., arms control), human rights and humanitarian affairs, environmental and scientific affairs, economic and business affairs, refugee programs, and international organizations. No functional issue, whether managing the oceans or aiding refugees, stops at any nation's border. However, it is usually difficult to get action on any functional problem without dealing with individual nations, and that requires the department's traditional country-based structure. One of the secretary of state's most difficult internal management jobs is setting the ongoing balance between these conflicting—and inevitable—approaches.

Chapter 6 pointed out that, in contrast with some other countries, the U.S. government has no prefectoral, area-based officials to coordinate the field activities of the various departments and agencies within each of the country's regions. Each functional department has field offices, but coordination among the field offices of different departments in the same region occurs irregularly, at best. For decades, presidents have tried different approaches to this coordination problem, from creating uniform regions to establishing super-regions where high-level officials would have the power to pull related agencies together. The individual departments, not surprisingly, have always resisted the more aggressive efforts. Coordination of federal programs is always difficult in Washington, but it is often a tougher problem where agency officials face the job of managing programs.

Conflicts among Purpose-Based Agencies

Of course, conflicts also occur among purpose-based departments. The names of departments commonly identify a general field of activity; they do not necessarily convey a sharp sense of purpose. The nation's oldest federal departments—State, Treasury, Defense, and Justice—all have fuzzy missions that have evolved radically since the nation's founders first created these departments. New issues emerge constantly, from the pressures of the Cold War following World War II, the fall of the Soviet Union, pressures on the dollar along with inflation, the rise of the European Union, and the sudden intrusion of terrorism on American soil. These

departments, and many others, have worked to adapt their mission and their work, often with little structural change to match the shifting purposes.

Rather than have clear and constant purposes, departments focus on core activities that define the issues to which they—as well as their leaders and most important constituencies—pay the most attention. They do not have clear, constant purposes or firm jurisdictional boundaries. Rather, departments tend to focus on general fields of activity.[12] That's one reason why border warfare among departments is so common, because the boundaries cannot be precise. Policymakers are eternally tempted to solve these problems by overhauling organizational structure. Such reorganization can remap the terrain, but it cannot end departmental border wars. For the agencies involved, jurisdictional boundaries remain crucial.

For example, the commission investigating the September 11, 2001, attacks found substantial problems in the sharing of information among the nation's intelligence agencies. Indeed, some observers speculated that the attacks might have been prevented if the government had made better use of the information it had collected before the attacks. (Of course, the attacks were on a scale that most officials had not imagined, and the real meaning of much of that information became clear only in hindsight. That is why the 9/11 Commission ascribed a large part of the problem to a "failure of imagination.")

To reduce the likelihood of future attacks, Congress insisted on creating a new Department of Homeland Security that would answer the constant call to devise a better way of connecting the dots among any pieces of information that might be collected. When the new department emerged from Congress, however, it did not include any of the nation's key intelligence bureaus: the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, or the FBI. Each bureau had waged a fierce behind-the-scenes battle to retain its independence—contending that it had critical core activities that would be compromised through a merger—and each emerged victorious. So the department that had been prompted by the urgent need to connect the dots ended up leaving most of the dots where they were, with only relatively weak new interagency councils to strengthen information sharing among them.

Similar problems plagued the battle against COVID-19. The responsibility for fighting the virus rested on similar purpose-based organizations—agencies focused on public health—at all levels of government. But coordination was ragged, at best. The Centers for Disease Control and Prevention recommended that people get the vaccine, but approval of the vaccine rested with the Food and Drug Administration. When people lined up for the vaccine, the supply rested with the requests that state departments of public health made. When vaccines arrived, there was a debate over whether mega-facilities or traditional pharmacies were the best places to distribute them. Nothing in modern memory rivals the coordination challenges of dealing with COVID-19.

Interagency Coordination

Conflict among agencies is inevitable. Conflict can undermine coordination, yet coordination is the core of administration. Executives therefore resort to a variety of methods to manage and moderate conflict among agencies.

Coordination is a *horizontal* activity: it seeks to draw related agencies together in a common purpose. Because no agency willingly surrenders control over its core activities to another, coordination rarely happens naturally or easily. Coordination requires a coordinator, and that requires a *vertical* activity. So to further complicate the problem, the horizontal and vertical dimensions themselves require coordination.

Horizontal Cooperation

Horizontal cooperation depends on the willingness of agencies to come to agreement with one another. Four methods stand out:

1. Thousands of **interagency agreements** ("treaties") have been negotiated between the concerned agencies to establish specific boundaries and, therefore, to clarify which agency will do what without interference from the other. Most local governments, for example, have agreements on shared responses to emergencies, including who provides which equipment for 911 emergency calls.
2. Hundreds of **interagency committees** at the cabinet, subcabinet, and bureau levels exist to promote collaboration in jointly occupied areas. Officials at all levels complain about spending so much time in meetings, but these meetings provide the foundations for much horizontal cooperation.
3. Under the **lead agency formula**, one agency is designated to lead and attempt to coordinate all other agencies' activities in a particular area. Ironically, even though the lead agency formula does not work well in the federal government, federal agencies often require state and local governments to create lead agencies as a condition of federal grant programs. Most emergency response systems now designate one agency to take the lead when problems develop. After the Boston Marathon bombings in 2013, for example, the FBI became the lead investigative agency.
4. A **clearance procedure** links agencies horizontally by requiring that an agency's proposed decisions in a subject-matter area be reviewed, whether for comment or for formal approval or veto, by other interested agencies.[13]

There is vast experience with these mechanisms. Sometimes, as in the case of the Boston bombings, they work remarkably well. But important issues are often hard to solve, and it's easy to dodge the tough decisions.

Narcotics-control efforts illustrate the common situation when neither horizontal cooperation nor vertical coordination seems likely. With the efforts split among many agencies, the Reagan administration's principal recourse in its "war on drugs" was creating multiagency committees.[14] Congress, disenchanted with this weak response, provided in the Anti-Drug Abuse Act of 1988 a "czar" for coordination of narcotics-control efforts, and President George H. W. Bush appointed the first such officer.[15] But if largely voluntary cooperation was no answer, neither, apparently, is a major shift to vertical coordination through a high-level antidrug director.

Such directive power as the czar has over bureaus concerned with narcotics conflicts with department heads' authority over the same bureaus. Most of these bureaus—including the Coast Guard, FBI, Central Intelligence Agency, Customs and Border Protection, and Citizenship and Immigration Services—have core functions unrelated to narcotics control. Nonetheless, the czar idea is a popular one. It was adopted, for example, as the cure for the bureaucratic fragmentation that impeded response to the AIDS crisis.[16] When Congress and President George W. Bush concluded that the White House Office of Homeland Security was not powerful enough to ensure the coordination needed in the area of domestic security, they abandoned the czar approach in favor of a more traditional department, but this arrangement was challenged when the 9/11 Commission countered that a cabinet-level intelligence czar was needed to bring the nation's disparate foreign intelligence together into a coherent picture. Chief executives can't resist naming czars when big problems surface. In the Obama administration, there was a cascading supply of czars for energy, urban issues, health care, and the economy, among others.

Vertical Coordination

A principal function of hierarchy is to provide vertical coordination of units with shared interests. Backed by both authority and structure, vertical coordination is relatively strong compared with the horizontal approach. The two patterns are very different. In the vertical coordination model, two warring agencies are brought together by the organizational superior of both, who has the formal authority to impose a decision and to monitor the agencies' compliance with it. Although their willingness to use authority may be limited by many influences, superiors are highly motivated to ensure that the programs under their responsibility proceed effectively.

The vertical dimension involves much more than arbitrating jurisdictional controversies. Superiors must constantly be on guard to protect themselves—including their time, energy, and political capital—against the eagerness of subordinates to push up the ladder tough decisions that they do not wish to make themselves. It can often be tempting for officials to pass along these "hot potato" issues, some of which may involve problems of coordination or may hinge on sharp political conflicts. But superiors who allow their subordinates to shirk responsibility in this way can soon find themselves swamped by decisions that they do not need to make. That can make it harder for them to focus on the matters that truly do require their time, and it can make effective coordination more difficult by allowing decisions to rise above the level at which the issues need to be resolved. If lower-level officials pass the buck instead of working through the problems they encounter, those problems often remain unresolved and the superiors become overwhelmed.

Because the horizontal and vertical dimensions of the hierarchy interact, an eternal question emerges: What is the best number of cabinet-level departments? In brief, how many subordinate units can a superior adequately supervise? This is the "span of control" puzzle we saw earlier in the book. If the number is very large, three things are predictable. First, border disputes multiply beyond the chief executive's capacity to arbitrate. Second, individual department and agency heads' access to the chief executive are curtailed. Third, cabinet and subcabinet committees are too large for effective discussion and decision (or advice to the chief executive). If the number is very small, the chief executive can lose contact with frontline operations and can struggle to hold cabinet officials accountable. There are more choke points

to block the flow of information up the chain, which creates more potential for distortion; there are also more points at which the flow of instructions down the chain can be drained of clarity and force. A small span of control can also produce delays, because transmission and consideration of messages through a long series of offices takes longer than their passage through a short series.

The result is a search for a happy medium, which tends to settle to between ten and thirty departments.[17] A major exception is the New Zealand government's reforms in the 1980s, which actually *increased* the number of departments to almost forty as part of a strategy to streamline government. However, critics there soon began making the point that so many departments hindered the coordination of the government's programs. In searching for the best span of control, we confront a trade-off for which there is no simple, good solution.

The Role of Staff

So far in this section we have focused mainly on *operating* agencies. That is, we have discussed people and units responsible for managing programs that directly serve or regulate the public. However, agencies also rely on other units to support their functions. The standard term for these support units is **staff activities**, compared with **line activities**, or operating activities. Of course, we often use the word **staff** to refer to all government employees. Strictly speaking, however, employees who manage the core functions of an agency are *line* officials. Those who support their work are *staff* officials.

There are, in fact, three different staff roles: **core staff**, which provides basic support to the agency's line activities; **auxiliary staff**, which provides a basic housekeeping function; and **control staff**, which helps top officials secure leverage over the organization. The first two roles facilitate operations, and because persons performing these activities assist in the organization's mission, classical theory prescribes that they should have no power to command the line officials. The third activity is quite different, for control necessarily imposes restraints on the freedom of line officials. This intersection of functions often creates deep conflict: staff activities can—and often do—conflict with line activities. We will return to that point shortly.

The Pure-Staff Role

Aides who work in the pure-staff role serve as the top manager's eyes, ears, and auxiliary brain. They assist the manager by originating ideas; gathering, screening, and appraising ideas from others; organizing information for decision-making; and keeping track of how quickly relevant agencies execute decisions. In 1975, the Commission on Organization of the Government for the Conduct of Foreign Policy captured the staff function well by listing the appropriate tasks of the president's staff and then strictly defining the scope of the tasks:

- Identify issues likely to require presidential attention
- Structure those issues for efficient presidential understanding and decision-making—ensuring that the relevant facts are available, a full set of alternatives are presented, and agency positions are placed in perspective

- Ensure due process, permitting each interested department an opportunity to state its case
- Ensure that affected parties are clearly informed of decisions once taken, and that their own responsibilities respecting those decisions are specified
- Monitor the implementation of presidential decisions
- Assess the results of decisions taken, drawing from those assessments implications for future action

The defining characteristic of these tasks is that they embody staff responsibilities rather than line authority. They provide assistance to the executive, not direction to department officials other than to convey presidential instructions. There should be only one official with line responsibility in the White House, and that is the president himself.[18]

All top officials need strong staff assistance. The more complex the organization's mission and structure, the more these officials need help in gathering information, interpreting details, anticipating issues, weighing decisions, and following the process of implementation.

The staff function is so important that it often becomes institutionalized in an organizational unit. For example, presidents have aides in the White House to inform and advise. Department heads and bureau chiefs have not only "assistants to" themselves but also organizational units concerned with program analysis, planning, and research. At least at the departmental level, staff units abound, with such assignments as legislative affairs, international affairs, intergovernmental affairs, public affairs (media relations), civil rights and minority affairs, small business, and consumers. In some departments, all or most of the assistant secretaries have primarily staff roles cutting across the bureaus, instead of, as in other departments, being line officials, each supervising a group of bureaus. At the state and local levels, the pattern is precisely the same.

The Auxiliary Role

Organizations rely heavily on auxiliary activities to assist in accomplishing their mission. For example, most governments have central purchasing offices, building management offices, accounting offices, libraries, public affairs offices, and publications units. These jobs tend to be grouped together under the *administrative support* or housekeeping label. We often tend to ignore the importance of auxiliary staff support—until we try to obtain a job in the agency. Then the important role of the personnel staff becomes very, very clear.

The Control Role

Organizations rely on control activities to monitor performance and enforce compliance with standards and procedures. Federal departments, for example, have inspectors general, who are given broad authority to investigate and report to the secretary and to Congress on suspected fraud, waste, and other mismanagement. In addition, personnel and budget offices enforce civil service laws and regulations as well as appropriations acts and other restrictions on expenditures

and programs. Many state governments have similar audit agencies. Technically, such control activities are not the same as the exercise of line authority. Technicalities aside, operating officials invariably resent the so-called meddling of controllers, particularly when the controllers divert the operators' energies from what they view as the vigorous implementation of programs to side issues, such as compliance with burdensome red-tape requirements.

Power Building

In practice, staff members often take on very strong power, even compared with line functions.[19] Many staff assistants have regular access to the chief of the unit, and this "face time" can powerfully shape the chief's decisions. Lower-level line officials, therefore, often try to cultivate the staff assistant, to find back doors into the decision-making process. On the other hand, top officials often face a large number of tough problems and are often tempted to trust staff assistants to handle problems. Persons with staff roles can therefore find themselves slipping into the chair of command. Indeed, cabinet officials regularly complain that the president's staff aides often take it upon themselves to issue orders and to filter information to the president. The growing role of the National Security Council is the leading example.

The problem of power building is aggravated by a tendency for staff, auxiliary, control, and command functions to second-guess operating units. A department's procurement office may be charged not only with supplying the operating units' needs for supplies (an auxiliary activity) but also with the authority to question operating officials' specifications of their requirements (a control and command activity). Line officials, of course, cannot be free to purchase whatever strikes their fancy, but function as a critical organizational problem. Few things annoy operating officials more than finding that purchasing-office employees, sitting far from the front lines of the agency's activities, have overruled their decisions on what supplies they need.

Staff activities thus differ from line (or operating) activities because their role is to assist, not to command, line officials. Although this line is neat, it's often breached in operation, because there is an irresistible temptation to give orders as well as advice. Because staff functions depend so critically on access to information, this can give staff officials a powerful additional source of leverage. It's little wonder that there is often friction between the line and staff roles.

Solutions?

There are no easy solutions to these deep and lasting dilemmas. For staff officials, there is one obvious solution: provide a clear sense of the role of staff by those who serve in these positions. Staff persons need to practice self-restraint and resist the temptation to go into business for themselves as decision-makers and order-givers. Of course, such restraint is often in short supply—it is never easy to fade into the background while others take center stage, and it is hard to push away the temptations of power that the staff role offers. Although the staff-line distinction is not quite as simple as a difference between thinkers and doers, the cultures of most operating organizations tend to put those who "do" into a more valued position than those who "think," and those who think often believe they can do best.

Auxiliary units inevitably exercise specialized control functions, especially because top executives rarely want to invest their scarce time in housekeeping disputes. However, program administrators are often frustrated by the need to share control over the tools for their jobs with outside auxiliary units that are committed less to achieving program results than to managing the support apparatus, from personnel rules to purchasing standards. As we see in Chapter 8, substantial efforts have been made to give operating managers more control over their personnel systems.

REORGANIZATION

If so many problems are structural, why, some wonder, can't we solve them by reorganizing the structure? To be sure, executive restructuring efforts have regularly sought to rearrange the organizational building blocks to enhance symmetry, improve the logical grouping of activities, reduce the executive's span of control, and strengthen administrative coordination and efficiency. These efforts fall largely within the neutral competence approach to organization, and they have long been an important part of administrative strategy.[20]

Reorganizations have been a never-ending campaign for most government executives. For example, in his 2011 State of the Union address, President Obama took on the challenge of governmental organizations for salmon:

> There are 12 different agencies that deal with exports. There are at least five different agencies that deal with housing policy. Then there's my favorite example: The Interior Department is in charge of salmon while they're in fresh water, but the Commerce Department handles them when they're in saltwater. [*Laughter.*] I hear it gets even more complicated once they're smoked.[21]

Like all great stories, this one gets even better the more one pokes into the details. Interior is in charge of protecting natural resources in the nation's interior, which covers fresh water. Commerce seeks to promote business development through fisheries, and that takes the department into the saltwater, where many salmon swim freely.

We've organized the government's policy toward salmon to manage the areas where they swim and the purposes—recreation or commercial fishing—to which those areas are put. We could simplify the situation by creating a "department of salmon," but then commercial fishermen might find the department of salmon's regulations conflicting with those of the departments of cod and haddock. Moreover, the existing organizational pattern is a reflection of congressional jurisdictions, and it's impossible to reorganize the salmon without running afoul of long-established congressional fiefdoms. Obama administration officials who waded into the congressional jurisdictional battles soon had to beat a hasty retreat. Behind every complaint about governmental organization is a complex puzzle of policy, politics, and efficiency.

Reorganization is always about much more than efficiency, because reorganization is as much a political act as an administrative one. Structure determines which issues get priority. Structure also defines which constituencies get prime attention, strengthens government's ability to serve some of these constituencies, and sends a powerful message about who and what

In his 2011 State of the Union address, President Obama joked about the multiple government agencies charged with regulating salmon. The quip led to an ongoing debate about how the federal government could improve its efficiency by restructuring its operations. Bears would be unaffected by any of the proposed changes for salmon.

Source: iStock.com/fishfetish

matter most. If a program is in an unsympathetic department, it is less likely that the secretary will fight for adequate financing and staffing; as a result, the program will likely be anemic. If a program is placed far down in the hierarchy, the director's access to the secretary will be impeded; recommendations about resources and policy will have to move through a chain of intermediaries, who may block or change them. When those in immediate charge of a program feel like orphans in their department, they will look elsewhere for support—for funds, staff, and program autonomy that enable them to ease the burdens of abandonment. All of these issues become folded into the value of representativeness that Herbert Kaufman identified as one of the basic approaches to organization.

For much of the past half-century, the president had statutory authority to propose to Congress reorganization plans creating, renaming, consolidating, and transferring whole agencies (other than cabinet departments and independent regulatory commissions) and any of their component units. By means of an ingenious legislative veto arrangement, the president's plans automatically went into effect in sixty days if neither house adopted a resolution of disapproval. In 1983, however, the Supreme Court ruled unconstitutional the legislative veto provisions appearing in hundreds of statutes, including the Reorganization Act.[22] Now, for a president's reorganization plan to be effective, it must be approved by a joint resolution of the two houses passed within ninety days after receipt and signed by the president (or, if vetoed because of amendments, overridden by Congress).[23]

The president therefore has a choice of tactics in seeking to restructure. One option is to seek comprehensive reorganization of the executive branch through an act of Congress. This option is always tempting but, whatever the potential benefits, it always stirs opposition among the interest groups happy with the existing structure—or at least fearful that change might shrink their power and access. Alternatively, the president can focus reorganization efforts on a small handful of bureaus. Sometimes the opposition to such limited action can be just as fierce, however, and it always has a less sweeping impact. In fact, some bureaus have proven immovable despite long histories of recommendations for restructuring. Reformers have long sought to move the Forest Service and the civil works functions of the Army Corps of Engineers to the Interior Department, to bring natural resource functions together in a single department. Both bureaus—and the interest groups supporting them—have fought off every effort to move them.

Reorganization powers vary at the state and local levels of government, but rarely can chief executives remake the structure of the bureaucracy on their own. Most organizational changes require approval of the state legislature, county board, or city council.

Comprehensive Reorganization

Nearly every president since Herbert Hoover has supported some kind of sweeping overhaul of the executive branch. (The exceptions were Kennedy and Ford, because of their short tenures in office, and Reagan, who focused his efficiency efforts on privatization.[24]) Conservatives like George W. Bush could not resist shuffling the organizational boxes. He championed the largest single government restructuring since the end of World War II with the creation of the Department of Homeland Security. Donald Trump proposed a massive reorganization of the executive branch, including the merger of the departments of Education and Labor, but it went nowhere.

Why, given the odds against them, do presidents bother? Some come into office trailing campaign promises to "straighten out the mess in Washington" or, in Trump's case, rooting out the "deep state." Some—such as Hoover and Carter, who were engineers—are personally disposed to fix the machinery of government. Some seek popular credit for trying to improve administration, which may count for more politically than would actual achievement, to which they may devote little energy. Some—including former senators Truman, Nixon, and Johnson, who knew Washington well—may perceive existing executive branch organization as poorly serving the national interest and propose to invest political capital in structural reform.

But political capital is precious. It can quickly evaporate or shift to urgent policy initiatives. Nixon's ambitious plan (described below) failed to win congressional support, and the Watergate scandal then exhausted his political capital. In 1967–1968, Johnson, losing his political capital because of the Vietnam War, neither allowed publication nor advocated adoption of the recommendations of his Task Force on Government Organization. Of Roosevelt's far-reaching proposals, only two were initially approved by Congress.[25] Two joint congressional-presidential Commissions on Organization of the Executive Branch of the Government, each chaired by former president Herbert Hoover, reported in 1949 and 1955.[26] Over half of the First Hoover Commission's recommendations were adopted, mostly because of Truman's support and a massive public relations campaign. The Second Hoover Commission focused not on major reorganization but on procedural techniques and policy issues—especially how to reduce the

government's competition with and regulation of private enterprise. Nevertheless, "not a single major permanent program resulting from the years of depression, recovery, war, and reform was abolished as a result of this prodigious inquiry."[27]

In 1971, President Nixon proposed a drastic reorganization of the executive branch.[28] The plan would have retained unchanged only the four departments whose heads had sat in George Washington's cabinet. Four departments—Commerce, Labor, Transportation, and Agriculture—would be abolished, most of their work being absorbed by a wholly new Department of Economic Affairs. Three newly named and reconstituted departments—Natural Resources, Human Resources, and Community Development—were to supersede the departments of the Interior; Health, Education, and Welfare; and Housing and Urban Development. But Congress refused to act.[29]

President Carter mounted a heavily staffed reorganization study in the Office of Management and Budget, but the results were modest compared with his ambitions; Carter's successes were establishment of the Department of Education (fulfilling a campaign pledge) and the Department of Energy, partition of the Civil Service Commission into two new agencies, and reorganization of the president's Executive Office.[30] President Reagan then futilely sought abolition of the new Education and Energy Departments he had inherited from Carter but proposed no overhaul of executive branch structure.[31] Reagan instead relied on his cabinet councils to harmonize interagency concerns, as well as on procedural changes, political appointments, and centralized control of agency behavior.[32] Congressional Republicans returned to the battle in 1995 and fought—yet failed—to eliminate the Commerce Department. The creation of the Department of Homeland Security in 2002 moved more agencies (twenty-two) and more employees than any restructuring since the creation of the Department of Defense, but critics continued to battle over the department's effectiveness.

Among state governments, comprehensive reorganizations have come in waves. From 1965–1978, for example, twenty-one states recast their executive branches. Usually the governor initiates the enterprise, and it is achieved through a constitutional amendment, statute, or both.[33] Yet the taste for reorganization has scarcely gone away, as shown by the massive 2004 proposal to restructure California's state government. That proposal spawned many more. The instinct to reorganize is eternal.

Obstacles to Reorganization

There is never a shortage of reorganization ideas, both because there are always ways of improving government's efficiency and because past reorganizations create the seeds for new ones. However, relatively few of these ideas are translated into action. Ideas that are adopted tend to be specifically focused in response to perceived performance failures that are seen as products of poor organization. In addition, the reforms either promise enough benefits to command political support or they seem minor enough to avoid creating political opposition. Some reform ideas eventually succeed because they have recurred so often over the years that objections lose credibility.[34]

Indeed, *stability*, not fluidity, characterizes the executive branch's organization.[35] How do we account for this? Most obviously, departments and bureaus resist the loss of functions—they seek to protect their turf. Although some agencies act imperialistically to expand their realms,

protecting what they have tends to be more important.[36] Moreover, behind every agency's structure lies a powerful network of legislative committees and powerful interest groups that value the existing structure because they might have helped create it, and they have learned to massage its work. How do agencies attract enough political support to discourage and even defeat reorganization initiatives by presidents and department heads? The answer is that legislative committees and powerful interest groups create intense counterpressures. Mustering their forces against a reorganization effort is not difficult; often, the opposition springs to arms without much invitation.

Legislative committees, of course, have their own jurisdictions to protect. One reason why Congress failed to support Nixon's major reorganization effort was dissatisfaction with the impact it would have had on legislative committees: on average, over nine existing committees would have had fragmentary jurisdiction over each of the four new departments. The alternative would have been a reorganization of the committees' jurisdictions to match those of the departments—this prospect would not warm the hearts of the leading members of committees marked for abolition or loss of jurisdiction. Because the structure of the executive branch is the product of legislative decisions, and because legislative decisions tend to emerge from legislative committees, it's no surprise that the structure of the legislative branch plays such a heavy role in shaping the structure of the executive branch.

Interest groups that perceive potential harm to their members throw their lobbying strength against proposed reorganizations, allying themselves with the affected departments or bureaus and with sympathetic congressional committees. The result often is what some writers call an **iron triangle**, a closely linked network of interest groups, congressional committees, and public administrators that unite to protect their long-term relationships.

Indeed, a major study of government reorganization by Craig W. Thomas teaches several important lessons. First, although we are very long on rhetoric about reorganization, we are very short on evidence. We simply know relatively little about whether changes in government organization do in fact improve efficiency. Second, many efforts to improve government efficiency through reorganization have been disappointing: contracting out and creating government corporations can improve efficiency if the changes are well managed, but a common approach—centralizing authority—often does not improve efficiency. Third, despite the constant rhetoric about trying to reorganize government agencies to improve efficiency, "reorganizations are profoundly and unavoidably political and we should accept them as such."[37] If reformers promote reorganization to produce more efficient and more effective government, they cannot be sure of achieving the results they desire. But they can be sure of provoking deep political battles over the structure and symbols of governmental programs.

This strong array of forces against restructuring might be overcome more often if theory and experience pointed to one best way to organize the executive branch or a department or bureau. The difficulty is that when those knowledgeable about administration are asked how to organize, they are likely to answer, "It all depends." This does not mean that anything goes. It does mean, as we have seen, that there are persistent organizational problems and several alternative approaches to them, and a set of variables might carry different weights in one situation compared with another. Furthermore, any reorganization's potential for achieving its objectives is contingent on so many factors that neither theory nor experience can ensure that the potential will be fulfilled. Finally, the ultimate choice often depends more on political values than on administrative efficiency.

CONCLUSION

Responses to organization problems usually seek to promote one or another of the values of neutral competence, executive leadership, or representativeness. Such responses may be infused with politics, with concern for "who gets what?" This is true even of responses in the neutral competence mode, because administrators, including careerists, prefer arrangements that protect their units' powers and that ensure their control of subordinate units.

Organization problems, we have discovered, are not chance or unique occurrences. Instead, they fall into patterns that not only persist or recur but that, more remarkably, also appear at all levels—presidential, departmental, bureau, and field service. The fact that conflict seems structurally embedded, that things go wrong even when neutral competence is the goal, stems from organizers' failure to take account of the salient criteria: incompatibilities among the organizational structures; the fuzziness of jurisdictional boundaries; the weakness of voluntary, horizontal cooperation; the limits of vertical, hierarchical coordination; and the frustrations that operating officials suffer because of the controls exercised by staff and auxiliary aides and units.

Although organizational structure seems passive, it should now be clear that it is the product of organizational conflict—and that, in turn, it shapes the next round of political conflict. The dynamics are political, and they reflect the claims of executives and legislators to achieve the values of executive leadership and representativeness, respectively, as well as the clash of interest groups. This great truth builds from the behavior of local bureaucracies. It extends to state bureaucracies as well—and throughout the vast expanse of the federal government.

As later chapters show, public organizations, however passive they appear in the abstract, come to life when we look at them as sets of human beings, as both civil servants and political appointees, as wrestlers over policy issues and battlers for scarce budgetary resources, as agents attempting to implement service and regulatory programs that have ambitious and contradictory goals, and as bureaucrats adapting to the control efforts of executive, legislative, and judicial overseers. The next chapter examines those puzzles.

CASE 7.1: SUNSET, THE GOLDEN RETRIEVER: GOVERNOR SCHWARZENEGGER AND THE RESTRUCTURING OF CALIFORNIA'S EXECUTIVE BRANCH

For Sunset, a golden retriever, the news from Sacramento wasn't good. Sunset was training to be a guide dog for the blind, and Sunset's instructor, Katryn Webster, was worried about the future of her organization, Guide Dogs of the Desert.[1] The Board of Guide Dogs for the Blind, the state government agency regulating Sunset's training and Webster's organization, was threatened with radical surgery as part of Governor Arnold Schwarzenegger's new reform agenda, the California Performance Review. Webster wasn't sure whether the performance review's recommendations would permanently change the way her organization worked and how effective it could be.

When he took office in January 2004, Schwarzenegger launched the performance review program to eliminate waste and inefficiency across state government, in part by reducing perceived duplication in "common functions and responsibilities."[2] The "Gubernator," as he quickly became known to fans of his action-hero movies, faced a huge budget deficit and a public tired of taxes. At his inauguration, Schwarzenegger told California's citizens that his performance review could help slash the state government's costs. "I plan a total review of government—its performance, its practices, its cost," he announced.[3]

Luckily for Sunset, when Schwarzenegger's task force made its recommendations in August 2004, it didn't suggest wiping out the guide dog program and the board that supervised it. Rather, it recommended moving the Board of Guide Dogs for the Blind to a new Department of Education and Workforce Preparation—along with similar changes for more than a hundred other boards and agencies that existed independent of the governor's cabinet agencies. But the board's supporters worried the move would weaken their work.

"Guide dogs take you into situations where it's life and death," explained board member Jane Brackman, "and if a dog isn't properly trained or a student isn't properly trained, people die."[4] Sheila Styron, president of Guide Dog Users, a national support organization, added, "Most people in California are pretty happy with the board." In fact, she said, "We would like it to become stronger."[5]

Eliminating the board, its supporters said, would not even save the state any money—Schwarzenegger's primary goal in launching the performance review—because license fees paid the board's $141,000 annual budget. (Blind persons received the dog and training for free; donations covered the $50,000-per-dog training cost, and the three dog-training academies that exist in California paid the state a license fee to be allowed to operate.) The board was scarcely a megabureaucracy soaking up taxpayer dollars; its seven members each received $100 (plus expenses) per day for the board's eight meetings per year.

Tough government rules were necessary, said the board's supporters, because some dog owners were taking unfair advantage of the special rules for guide dogs. Dog lovers with perfectly good eyesight, for example, were pretending their pets were guide dogs to be able to bring them into restaurants. The board performed important advocacy work as well, such as its effort to get an exemption for guide dogs from Hawaii's rule that dogs moving into the state had to be quarantined (to protect Hawaii from importing rabies). Moving the board into the new department, supporters feared, would make it harder to provide dogs for blind citizens. "You put a small entity like the state board into an overarching entity," explained Mitch Pomerantz, a disability law compliance officer for Los Angeles, "and it's going to get lost in the shuffle."[6]

Critics, however, wondered if the California Performance Review had gone far enough. "They did not go to the hard step and say, 'Do we really need to regulate guide dog trainers anymore?'" explained Julie D'Angelo Fellmeth, administrative director of the Center for Public Interest Law at the University of San Diego. "They're not shrinking government. They're just getting rid of multi-member boards and substituting bureaucrats."[7]

The battle over the Board of Guide Dogs for the Blind played itself out hundreds of times over. Schwarzenegger's task force recommended that a third of the state's 339 independent boards and commissions should be moved into executive departments, whose heads would report to the elected governor.

Three months after the California Performance Review issued its report, experts told a public hearing that any kind of reorganization would be difficult to implement. Every board had its own constituency, and every constituency feared its influence over policy would be watered down if the location of its organization was moved lower on the bureaucratic food

chain. While searching for billions of dollars of savings, Schwarzenegger and his aides had to decide how far to take a reorganization battle that promised few budgetary savings.

On the other hand, if he were to step back from the reorganization battle, Schwarzenegger risked undermining his credibility. In his 2004 State of the State address, he had pledged to "blow up boxes" in restructuring the state's bureaucracy—eliminating those boxed entries that are so ubiquitous on organizational charts. Toward the end of his first year in office, however, a *San Francisco Chronicle* editorial said his term so far had mostly been a "victory parade." His performance review offered 1,200 recommendations—ranging from improved electronic government to changing vehicle registration from once a year to once every two years—which would produce $32 billion in predicted savings. "Is he serious about government reform, or is the package for political show?" the newspaper asked.[8]

Schwarzenegger was vastly underrated when he took office. Critics laughed off his campaign as an ego-driven publicity stunt. But they had grossly underestimated the wily Austrian bodybuilder and chess player. In case after case, he proved a far more effective governor than his critics had expected. After a few months, "The only people who are still laughing at Governor Schwarzenegger," explained Jack Pitney, a Claremont McKenna political scientist, "are the people who don't know California."[9]

But his performance review remained a long-running battle. Schwarzenegger had called California's sprawling government bureaucracy "a mastodon frozen in time." He saw the job of restructuring the state bureaucracy—including the Board of Guide Dogs for the Blind—as a symbol to demonstrate his determination to transform the state government. He knew that the reorganization, in itself, would not save billions. But if he could prevail, it would strengthen his hand in controlling the state government apparatus and in enhancing his ability to win on even bigger policy battles later.

The battle had enormous implications, many observers of California politics believed. "To me, the jury's still out on whether he wants real, true structural reform," said Joe Canciamilla, a Democrat from the State Assembly. "If he's not willing to take that step, with the popularity he's had, the independence he's had, the public statements he's made—if this governor isn't willing to go there, it ain't gonna happen for several generations."[10]

The battle hinged on the supervision of Sunset, the golden retriever, and thousands of cases just like Sunset's throughout the state and its government.

Questions to Consider

1. Consider the case for moving independent boards and commissions into executive branch departments. What are the advantages and disadvantages of such a restructuring?
2. Government reformers often lose their appetite for the political battle over restructuring the executive branch when they discover that, in itself, it tends to save little money. Are there other reasons to consider such reorganization? Do these reasons make a strong enough case to make it worth the political fight, even if there are not big savings in tax dollars?
3. Consider the symbolic value of an organization's structure. What roles do such symbols play, on both sides of the reorganization battle?
4. Just how much do you believe that the *structure* of government bureaucracies really matters? If you were an adviser to Governor Schwarzenegger, how much of his political capital would you advise him to invest in the battle over eliminating so many quasi-independent boards and commissions?

Notes

1. See the organization's website, http://www.guidedogsofthedesert.org.

2. See the report of the *California Performance Review* (2004), http://www.cpr.ca.gov/CPR_Report/.

3. Ed Mendel, "Optimistic Governor Doesn't Pull Punches," *San Diego Union-Tribune*, January 7, 2004, A1.

4. Jordan Rau, "Guide Dog Board Threatened," *Los Angeles Times*, November 29, 2004, B1.

5. Ibid.

6. Ibid.

7. Ibid.

8. "Now, Governor's Second Act," editorial, *San Francisco Chronicle*, November 17, 2004, B10.

9. Alan Greenblatt, "Strong Governor," *Governing* (July 2004), http://www.governing.com/topics/politics/Strong-Governor.html.

10. Ibid.

CASE 7.2: CAN YOUR SMARTPHONE SAVE YOUR LIFE?

A few years ago, when I was dean of a school of public policy, I took my senior staff out for lunch to discuss our plans for the coming academic year. It was a relaxing conversation—until an earthquake hit. Ducklings in the cove nearby headed for the open water and, when we tried to call in to the office to see if everyone was okay, we found that the cellphone towers were jammed. Later, when I got home, I found that my golden retriever had slept through it all with barely a sigh, although the water in her bowl had sloshed back and forth during the temblor.

By West Coast standards, it was a baby quake. In a major quake, even a few seconds' advance warning would make it possible to prepare and find the best protection, like grabbing a wall or heading under a table—"Drop, Cover, and Hold On," as the government suggests. But is that too much to ask for? To get advance warning of an earthquake?

The U.S. Geological Survey has developed an app called ShakeAlert (https://www.shakealert.org/), an early warning system for the West Coast. Technology has become sophisticated enough that sensors can detect the first energy that flows out from an earthquake—what experts call "Primary Wave," or "P-wave." These waves don't typically cause damage, but they provide early warning of what's on the way with the more dangerous earthquake "Secondary waves," or "S-waves." The sensors pick up the P-waves and send out a warning through smartphone apps.

A *Washington Post* reporter wrote about his experience in an October 2022 California earthquake. As a 5.1-magnitude quake got rolling in the Silicon Valley, he received an alert on his iPhone: "Be-be-boop! Be-be-boop! Earthquake. Drop, cover, hold on, shaking expected." And, sure enough, a few seconds later, he felt the building shake.[38]

The ShakeAlert app typically provides about twenty seconds' warning, through Washington, Oregon, and California. It combines advanced detectors along the main fault lines with the big advance that's come with smartphones: location services, which can

match an individual's place with the predicted spread of earthquake waves. For earthquakes predicted to be at least a magnitude 4.5 and to produce shaking in a user's location, an alert pops up on the lock screen. That would give users a few precious seconds to dive for cover (and warn the dog).

ShakeAlert is a project between the Geological Survey and the California Governor's Office of Emergency Services; the California Geological Survey; the California Institute of Technology; the University of California, Berkeley; the University of Washington; the University of Oregon; ETH Zurich; and the Gordon and Betty Moore Foundation. Put differently, it's a cross-boundary collaboration between a federal agency, two state agencies, four universities, a nonprofit foundation, and a foreign organization. By traditional bureaucratic standards, that's a very complex system of collaboration, but for users, the technology makes it seamless.

The users, moreover, include not only individuals with their smartphones. They also include air traffic controllers (to give them time to manage incoming and outgoing planes), transportation systems (to keep cars off bridges and to avoid tunnels), fire departments (so they know to be on the alert for numerous false alarms), and utility companies (so they can take steps to insulate their operations from possible earthquake damage). Cross-agency connections used to be mainly a matter of reorganization; technology has provided better connections with fewer disruptive changes to organizations.

Questions to Consider

1. Consider technology as an alternative to reorganization. What are its advantages and disadvantages? (For example, consider that ShakeAlert requires users to turn on location services, which raises privacy questions.)
2. How far should we push technological fixes before we encounter unacceptable trade-offs, like privacy problems?
3. Are there implications for diversity, equity, and inclusion for the ShakeAlert system? What happens for those without latest-generation smartphones?

CASE 7.3: WHO'S IN CHARGE WHEN FIRES STRIKE?

U.S. Forest Service fire captain David Ruhl loved tackling big wildfires. So there was little surprise when he volunteered to leave his wife and two children behind in South Dakota's Black Hills to help California during its monstrous fire season. In late July 2015, while he was strategizing on how to fight a particularly nasty one in the Modoc National Forest, a wall of flames suddenly trapped him. Search teams found his body the next day.

Ruhl's death was a tragic reminder of the enormous toll taken by wildfires raging across the West in 2015. But it was also a reminder of the remarkable partnerships that have emerged to fight them. Joining Ruhl were other feds, including expert interagency "hotshot" teams. They worked closely with local firefighters and Air Force C-130 air tankers. Private contractors provided pilots and more aircraft, ranging from small helicopters to giant air tankers. Coordinating everyone was Cal Fire, the state's premier wildfire agency. It was

a genuine mosaic of federalism, with the intricate boundaries lost amid the smoke of the worst fire season on record.

But this impressive show of collaboration was hard won. It represents decades of evolving strategies, from the 1950s, when fighting large-scale forest fires involved teams of hikers who drove to the scene in trucks, to today's firefighters, who are aided by aerial tankers that can drop 20,000 gallons—enough for 800 ten-minute showers—in a single attack.

The advances go beyond technique. Training has vastly improved and has become more standardized so that firefighters know what their colleagues know. Strategy has evolved to incorporate the "incident command system," so that leaders can coordinate the complex interagency, intergovernmental, and intersectoral teams that fighting these monster fires now requires. These changes have also shifted the Forest Service's budget. In 1995, fighting wildfires accounted for 18 percent of its spending. In 2015, this had grown to more than half the budget, and the agency now forecasts that firefighting will take 67 percent of its funds by 2025. "Instead of basically maintaining and restoring and making our forest more resilient," U.S. Agriculture Secretary Tom Vilsack, who supervises the Forest Service, told *NBC News*, the agency became "one large fire department." Some analysts even suggest—tongue only partly in cheek—that the U.S. Forest Service should be renamed the U.S. Fire Service.

As the drought in the West has worsened over the years, so too have fire seasons. Americans have grown used to watching dramatic footage of giant planes dropping water on raging, out-of-control fires, and they see those tankers as a sign of government action. Local residents increasingly expect a response that is federal and instant.

Nowhere was this more the case than during the 2011 Texas wildfires, which burned more than 3 million acres and devastated Bastrop County, near Austin. Texas Representative Michael McCaul, who represents the area, hammered the U.S. Forest Service for failing to pre-position a giant DC-10 aerial tanker that the state could use whenever a wildfire should happen to erupt. When the Bastrop fire started, the Forest Service's contractor fleet was busy in California, fighting an outbreak of wildfires there. The Forest Service shifted a DC-10 to Texas, but residents were infuriated as the plane sat idle for two days on a runway while Bastrop burned.

Why was the plane idle? The DC-10's crew had to adhere to mandatory rest requirements. Furthermore, ground crews had to build a facility to supply flame retardant for the plane. But all that missed a larger issue, according to Tom Harbour, the Forest Service's director of fire and aviation. At an oversight hearing that McCaul held in Austin after the disaster, Harbour pointed out that the Forest Service was only responsible for fighting the fires on its lands, which accounted for just 0.1 percent of all the land involved in the 2011 Texas fires. The agency had deployed its teams to help on nonfederal lands "because our friends in the Texas Forest Service asked us to help." And they needed that help because Governor Rick Perry had cut funding for the state's own forest service.

But truthfully, the feds would have been in Texas no matter what. After all, firefighting has become an interagency, intergovernmental affair—that's why David Ruhl was 1,300 miles from home fighting fires.

And there's no doubt these interagency partnerships have vastly improved firefighting, but they have also blurred responsibilities, raised expectations for the federal government's help, and shifted local costs to the federal budget, even when the problems are caused by nature and the prime responsibility for attacking them rests in state and local hands. The strategy that so greatly improved the management of fires has, paradoxically, deeply confused who's really responsible for dealing with and paying for a huge problem that is only growing.

Questions to Consider

1. Who is responsible for fighting these kinds of fires?
2. How can firefighters coordinate their work to ensure the most effective strategy for dealing with the fires—and to make the most of limited resources?
3. How can—and should—administrators deal with the political expectations that they can solve tough problems all the time, even if elected officials sometimes aren't interested in providing support?

Note: This case comes from my column in *Governing* (October 2015), http://www.governing.com/columns/potomac-chronicle/gov-wildfire-paradox.html.

KEY CONCEPTS

auxiliary staff
clearance procedure
control staff
coordination
core staff
executive leadership
interagency agreements
interagency committees
iron triangle
lead agency formula
line activities
neutral competence
representativeness
staff activities
staff

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SUGGESTED WEBSITES

The federal government has moved its extensive guide to its organizational structure, the *U.S. Government Manual*, online to **www.usgovernmentmanual.gov**. This is an invaluable resource for understanding the structure and function of government agencies.

The California Performance Review, **www.cpr.ca.gov**, has assembled thorough background discussions about the organization of the state's government. It is a useful guide for understanding the structural issues faced by the nation's most populous state. Many other state and local governments regularly explore how best to improve their operations, and a web search will uncover the most recent initiatives they are taking.

In Los Angeles, Sheriff Alex Villanueva explains the problems posed by his department's budget.

Source: Irfan Khan via Getty Images

8 ADMINISTRATIVE REFORM

LEARNING OBJECTIVES

- Understand why administrative reform is a driving force in public administration
- Chart the role of administrative reform in the United States
- Explore the competing theories on administrative reform: downsizing, reengineering, motivation
- Assess the advantages and disadvantages of competing reform strategies
- Put the American efforts at reform in a global context

With much fanfare in 2014, New York City Mayor Bill de Blasio launched his "Renewal" initiative, a dramatic program to improve the city's schools by spending more than $770 million. To strengthen the city's ninety-four lowest-performing schools, he promised to "shake the foundations of New York City education" with a massive investment program. The effort had two important elements: better training for teachers, and more social services for students. It was a bold move, the mayor promised. "We're going to do something that, bluntly, has rarely been tried," he said at the launch. But analysts pointed out that the strategy was not backed by evidence, that education officials had little time to put a very complicated program into place, and that the city's famously complex bureaucratic systems had gummed up the entire plan.

Some schools in fact did improve substantially, especially those with effective principals. Among high schools in the program, the average graduate rate improved from 52 percent to 72 percent, a significant boost. Suspensions dropped by more than half in all the Renewal schools. But just one-fourth of the schools had improved enough to meet the overall standards that de Blasio had laid out. Many parents worried about sending their children to schools that were part of the program for fear the schools were substandard, and that further complicated the effort. About one-fourth of the schools improved, but another quarter of the schools performed so badly that they were closed. The middle half of the schools continued to languish. After three years, de Blasio canceled the program.[1]

As was the case in so many cities, New York had struggled with how best to improve its schools. The previous administration, under Mayor Mike Bloomberg, had closed one hundred schools and opened smaller schools. De Blasio concluded that strategy hadn't worked and pledged his program of massive investment. The one certainty seemed a stream of changes, driven by the enormous complexity of educating kids through an exceptionally complex bureaucracy. The one constant seemed to be a never-ending stream of reform.

ADMINISTRATIVE REFORM AS A DRIVING FORCE IN PUBLIC ADMINISTRATION

In fact, administrative reform has become the inescapable imperative of modern management, both in the United States and abroad.[2] A 2001 report by the Organization for Economic Co-operation and Development (OECD), an association of the world's major industrialized nations, concluded,

> As society continues to change rapidly, the solutions of the past are no longer sufficient. Not only is there no "one size fits all" solution across countries, but countries should also learn to use reform to create institutions that can constantly adapt to changes in their own societies and to changing outside forces.[3]

Christopher Pollitt and Geert Bouckaert argued that public management reform "has become a key element in many [political] party manifestos, in many countries. It has internationalized. It has acquired a body of doctrine, and a set of competing models and approaches. In short, it has 'arrived.'"[4]

If reform has arrived, however, it has emerged in many different forms, with multiple personalities, often driven by very different political motives. But beyond the differences is a remarkably universal movement: virtually every government everywhere is deep in administrative reform, driven by a powerful imperative "to make government work better and cost less," as Vice President Al Gore's "reinventing government" movement put it in the 1990s. These bold promises, however, are extremely difficult for governments to achieve. Reform is tough, reform ideas often move in very different directions, and the underlying politics makes it hard to build a stable base of support for very long.

Despite these challenges, however, there is a powerful and inescapable truth. Politicians find reform irresistible, but they often struggle for political reward for their work. Voters rarely feel moved to reward administrators for doing their job better. That, after all, is what they believe they pay taxes for, and they often see little point in rewarding elected officials for doing what they promised. But there can be deep, even brutal retribution for failure. Trust in government is low. Failure to perform can drive it lower. And unhappy voters are often quick to punish elected officials who do not perform as they expect. That's the core of the political motivation for reform. Doing better is good; doing worse—failing to meet citizens' expectations—can be devastating. In an era of rising expectations and tighter budgets, that makes reform a big and inescapable imperative.

The struggle against COVID-19 in every country has underlined the importance of reform. As the OECD wrote in 2021,

> The COVID-19 pandemic has highlighted the role of public governance but has also acutely tested it. Governments had to act swiftly and adapt processes and resources to keep societies and economies afloat. While countries have generally responded to the crisis at scale and speed, not all have adjusted their public governance processes to the same degree. In some cases, transparency and public trust may have been affected. Governments must use the lessons of the crisis to become fit to meet tomorrow's public governance challenges.[5]

Those lessons include managing the continuing pressure on government finances, ensuring that the improvements in trust that many governments produced will last into the future, engaging citizens more effectively, increasing the diversity of public employment, and connecting governance to environmental and social goals. This is a very tall order. But it underlines the ongoing process of reform, both in managing crises like COVID-19 and in weaving its lessons in the ongoing strategies of governance. We will begin examining the fundamental reform ideas in this chapter, and we will continue to explore them in the remainder of the book.

REFORM IN AMERICA

Three important truths characterize public management reform in the United States. First, America began with a commitment to changing the way that government works, and it hasn't stopped since. Most presidents, governors, and mayors come into office pledging to make public programs work better. Donald Trump, for example, arrived in the White House with his own six-point "Contract with the American People," which followed on similar promises made by Barack Obama, George W. Bush, and Bill Clinton. Joe Biden pledged to end the coronavirus epidemic, rebound from economic sluggishness, address climate change, and remedy racial injustice.

Each president's strategy required nudging the bureaucracy. But at the core of this reform impetus is a fundamental paradox of American public administration: there is an enduring sense that public bureaucracy is a large, immovable object. Top executives also believe that they need to produce deep, constant change. Few elected officials champion the cause of public administration, per se. Crawling inside the motor of democracy is of little interest to citizens who simply want to jump on board and ride ahead. But no official can ignore the imperative to make public programs work, because citizens never want to get stuck in programs that disappoint them.

Second, in the United States, the most innovative administrative thinking has often occurred in the private sector. Public managers anxious to save money and improve service delivery have looked for solutions wherever they could find them, and that search has often led them to corporate strategies and tactics. In part, this is because of the recurring, but often wrongheaded, belief that government would be better if it were managed more like the private sector. Public problems and private solutions typically do not match, but public officials are often eager to borrow anything from the private sector that might prove a good idea. The "make government work more like the private sector" approach has dominated most of the last century.

Finally, many American governmental reforms have tended to move up from the experiments of state and local governments, rather than move from the federal government down. State and local governments have often been far more nimble, and the federal government has often been the last link in the chain. In playing catch-up, however, the federal government has often found that its programs, such as food stamps and Social Security, are poor matches for innovative solutions developed for some state and local programs, like garbage collection and park maintenance. Reform often needs a strong hand from the top, but many of the best ideas have bubbled up from the bottom.

American public administration's continued commitment to reform springs from a variety of sources. Some of it reflects a fundamental tension between great ideals and effective pragmatism in the American political character. Many reform ideas are drawn from settings that offer a much different context for the problems they are trying to solve: private-sector strategies applied to government, and state government strategies applied to the federal government. Some of this commitment to reform derives from an ongoing dynamic: government often must struggle with the hardest problems in society, and reform has always been a coping strategy when results inevitably fall short of expectations. Some of the reform movement simply demonstrates that Americans have always been tinkerers who love to tweak the way their government works.

COMPETING THEORIES

The strategies and tactics of reform have covered a remarkably broad scope. Moreover, the political context of reform differs widely. Some newly elected officials come into office determined to distinguish themselves as much as possible from their predecessors. That drove much of de Blasio's effort to separate himself from Bloomberg. These instincts are even stronger if their predecessor was from the opposite party. That drove Trump's strategy to separate himself from Obama, and then Biden's eager efforts to set off on a very different course from Trump. Some officials arrive on the heels of a scandal or crisis, and they want to quickly bend the government in a completely new direction. Some of them are good-government types who want to expand and strengthen it. Some want to cut government and slash taxes.

These very different motivations can all lead to reform, but they often take very different paths. Moreover, reforms vary with cultural, social, and political traditions. Utah has a long tradition of highly professionalized government based on a strong information technology backbone. Wyoming often gets high marks because of its relatively small population and careful attention to its budget. In Texas, state officials have worked hard to shrink government spending and manage the oil revenues that flow into the state's treasury. New York City and Baltimore have long traditions of using information about government performance to drive city administration. Chicago is developing new strategies for connecting social media with policy feedback. All have engaged in "reform," but what constitutes reform is often very different.

Reform movements have generally converged on three basic strategies: **downsizing, reengineering**, **continuous improvement,** and **delivery frameworks.** The terms speak to the aspirations of citizens and government officials alike. Cutting government is often appealing, so reformers resort to downsizing. When results fall short of expectations, reformers seek to reengineer organizations. Continuous improvement, setting off on a series of rapid steps, is always attractive.

There is a fundamental challenge behind these basic approaches. The old bureaucratic orthodoxy, founded on traditional authority and hierarchy, promised a clear, straightforward, and universal set of principles: delegation of authority based on expertise, and democratic accountability through hierarchical control. The new ideas driving bureaucratic reform, however, are neither orthodox nor universal. Moreover, at their core are important—but often unrecognized—contradictions that threaten the success of reform efforts, as the American experience illustrates.

DOWNSIZING

Conservatives have long argued that government is too big and needs to be cut back. In 2010, Republican congressional candidates pledged to impose a freeze on hiring most federal employees and cutting "wasteful and duplicative programs" to "curb Washington's irresponsible spending habits and reduce the size of government."[6] In 2016, Republican primary candidates proposed which agencies they would eliminate if they were elected. It was a long list: the Environmental Protection Agency (EPA); the Departments of Education, Energy, and Housing

and Urban Development; and the perennial target, the Internal Revenue Service, among others. But downsizing hasn't just been the province of conservative Republicans. In the 1990s, the Clinton administration dramatically reduced the size of the federal government's workforce as part of its "reinventing government" initiative, as we will shortly see. In 2022, Florida Governor Ron DeSantis slashed $3 billion in state spending.[7] Meanwhile, Florida Senator Rick Scott said he wanted to cut the federal workforce by 25 percent and cap the salaries of federal employees.[8]

Tax Limitation

The American downsizing movement began at the state and local levels during the property tax reduction movement of the 1970s. New Jersey legislators in 1976 limited the growth of expenditures to the growth of per capita personal income. California voters fired the loudest shot in 1978 by approving an amendment to the state constitution, Proposition 13, which reduced property taxes to 1 percent of market value and limited future property tax growth to a 2 percent annual increase over the amount calculated from the 1975–1976 base. Massachusetts voters followed with Proposition 2½, which reduced property taxes by 15 percent per year until they reached 2½ percent of full market value, where they had to remain (hence the name applied to the proposition).[9] State legislators passed scores of other tax limitations or special tax breaks in the following decade.[10] Between 1976 and 1982, legislators and voters in nineteen states agreed to limit revenues or expenditures.[11]

The movement continued through the 1990s and 2000s, led by Colorado's passage in 1992 of a constitutional amendment to limit tax increases—christened the **Taxpayer Bill of Rights**, or TABOR for short—which spread to other states as well. The proposal passed with 54 percent of the vote; a decade later, almost three-fourths of Colorado residents favored its tough approach.[12] The Colorado effort sparked a string of copycats over the next decade. In 1994, Michigan voters agreed to shift a substantial amount of local property tax revenues for education to state taxes. Wisconsin legislators voted to replace most local property taxes for schools with state aid, to be financed by state government spending cuts. In both cases, state officials first committed themselves to the broad reform—property tax relief—without deciding how they would produce it. In both cases, the strategy provoked wild bargaining in the state legislatures to produce the promised aid.

According to public opinion surveys, the problem was not that citizens were unhappy with government services. They simply believed that their taxes were too high, that there were too many government employees, and that government could easily provide the same services for less money.[13] In 2010, the Pew Center on the States and Public Policy surveyed residents of five of the nation's most financially distressed states. Two-thirds of survey respondents said that they never trust state government to do what is right, or they trust it only some of the time. They wanted major reforms, but the reforms that they wanted didn't align with the services they expected.[14] Little has changed since. In fact, a 2018 Pew survey revealed that 58 percent of Americans think that democracy is working well—but that 61 percent think it needs "significant changes." Two-thirds of partisans—on both sides—tend to think that their side in the political battle is losing. And citizens tend to think that government works better at the local

level than at the federal level. Two-thirds have a positive view of their local government, but just 35 percent have a favorable attitude about the federal government.[15]

Promising to cut the unholy trinity of "waste, fraud, and abuse" always resonates well with voters. For better or worse, both elected officials and voters have come to believe that government's inefficiency is so great that it's possible to cut spending without hurting the quality of services. E. S. Savas argued in 1982 that the public, "despairing of the ability or will of its elected government to reduce expenditures, has taken the matter directly into its hands and reduced revenue, like a parent rebuking his spendthrift child by cutting its allowance."[16] The basic strategy was clear. Government, critics believed, would spend whatever money it collected, and it wouldn't always spend it well. Cut revenues, and that would force government to be more efficient.

Privatization

In the mid-1980s, led by President Ronald Reagan, the downsizing movement spilled into the federal government. In 1984, the **President's Private Sector Survey on Cost Control** (better known as the Grace Commission, after its chair, J. Peter Grace) produced 2,478 recommendations that its report said would save $424.4 billion over three years. The commission concluded that the federal government was "suffering from a critical case of inefficient and ineffective management" and that only more businesslike practices and, in particular, huge cuts in governmental programs could reduce the deficit hemorrhage.[17] Academic critics argued that the report was built largely on an ideological, probusiness, antigovernment base; that it contained misrepresentations; and that following its recommendations could actually hurt the work of the federal government.[18] Suspicious Democrats, who controlled Congress, saw it as a partisan maneuver by Republican president Ronald Reagan, and the resulting partisan battles doomed almost all of the report's recommendations.

The Grace Commission report did, however, fuel a downsizing movement at the federal level, helping to promote in 1985 the **Balanced Budget and Emergency Deficit Control Act**, better known as the Gramm-Rudman Act, after two of its key sponsors, Senators Phil Gramm (R-Tex.) and Warren Rudman (R-N.H.). (The bill also had the support of Ernest Hollings [D-S.C.], but the "Gramm-Rudman" label stuck. Comedians suggested they had to make a cut here, too, and Hollings was left out.) Among its many important effects, Gramm-Rudman forced both the president and Congress, Democrats and Republicans alike, to begin bringing the burgeoning federal deficit under control. Downsizing became an inescapable part of politics at all levels of American government. Gramm-Rudman and the TABOR movements intersected and reinforced each other.

Reinventing Government

Soon after taking office in 1993, President Bill Clinton named Vice President Al Gore to work on **reinventing government**, to make the federal government work better and cost less. The term came from a best-selling 1993 book, *Reinventing Government*, by David Osborne and Ted Gaebler.[19] Gore's campaign, the National Performance Review, promised voters $108 billion in

savings by fiscal year 1999. Some of the savings were to come from reforms already underway, but most of the projected savings were from reducing the federal workforce by 12 percent over five years—a total cut of 252,000 positions—to leave the workforce at under 2 million for the first time since 1967. The vice president's report promised that the cuts would consist of pruning unnecessary layers of the federal bureaucracy.[20]

Gore's report asserted that the many reforms it proposed—from streamlining the procurement process to giving managers more flexibility to make decisions without endless cross-checking—would improve governmental efficiency, making it possible to eliminate functions and layers of the federal bureaucracy and, therefore, to save billions of dollars. In practice, the biggest changes came through downsizing the workforce. Most departments met their targets by offering employees buyout packages that included financial inducements for taking early retirement.[21] By 2001, the number of federal civilian employees had declined by 365,000 (17 percent). The workforce reduction was the biggest single impact of Gore's effort. When he ran for president in 2000, however, he barely mentioned his signature effort during the Clinton administration.

Assessment

The recurring battles over the size of the government workforce have raised important questions about the downsizing movement. First, the question of government's size has been disconnected from its function. Even in the Clinton-Gore reinventing government effort, the downsizing target had little or nothing to do with how many employees were needed to carry out government's job. Broad strategic decisions about how much government needed to be cut, rather than how many employees were needed to accomplish its missions, dominated the debate. As Congress's watchdog agency, the General Accounting Office (in 2004 it became the Government Accountability Office), concluded in 2002:

> Much of the downsizing was set in motion without sufficient planning for its effects on agencies' performance capacity. Across government, federal employers reduced or froze their hiring efforts for extended periods. . . . This helped reduce their numbers of employees, but it also reduced the influx of new people with new knowledge, new energy, and new ideas—the reservoir of future agency leaders and managers.[22]

Second, there were big ideas at the core of these downsizing initiatives, but they were very different big ideas. Conservatives tried to "starve the beast": if the "beast" they saw as government could not be killed in a frontal assault, because cutting government was politically impossible, they believed it could be weakened by denying it the tax revenues it needed to sustain itself. Liberals focused on big policy ideas without determining what capacity government needed to carry them out. Both ideologies helped support downsizing initiatives.

Third, despite these strategies and tactics, American government has continued to grow. As a share of the economy, total government spending has increased from 8 percent of the gross domestic product (the total of goods and services produced within the country) in 1900, to 23 percent in 1950, to 32 percent in 2000, to a projected 38 percent in 2023. As we saw in Chapter 3, spending for governments in the United States ranks toward the bottom of government

spending around the world. Government is not particularly large—and efforts to constrain its growth have not been particularly effective.

Fourth, although these strategies have not made government smaller, they have made it weaker, as John J. DiIulio pointed out.[23] By starving the beast, conservatives made it harder for government to build the capacity to make it work. By focusing more on creating new policies than on how to deliver them, liberals did the same. By very different roads, both sides weakened government's capacity.

REENGINEERING

At the same time that "reinventing government" caught fire in the 1990s, another reform movement emerged. In 1993, Michael Hammer and James Champy wrote *Reengineering the Corporation*, a tale of private companies faced not only with new challenges but also with threats to their very existence.[24] These authors claimed that business leaders needed to move past incremental improvements to a fundamental reexamination of their operations to succeed, or even to survive. Their case for creating completely new work processes soon spilled over into government.[25]

Starting from Scratch

Reengineering, Hammer and Champy argue, begins by putting everything on the table. It "means starting all over, starting from scratch," through "discontinuous thinking."[26] They sought to bring fundamental changes to big organizations. By the 2010s, *disruptive innovation* had become the popular phrase. But the key remained the same: push aside incremental improvements in favor of big reforms, if organizations were to meet the equally big challenges of the information age. Reengineering focuses on radically redesigning work processes. Indeed, *process* is the fundamental building block of reengineering, with an eye to ensuring that organizations understand and meet their customers' needs. Central to the effort is the latest technology to wring extra efficiency out of their operations. Reengineers search for breakthrough strategies instead of incremental improvements—rather than trying to do a job 10 percent better, reengineers look for strategies that can work ten, or a hundred, times better.[27]

Public managers found the movement irresistible. Massachusetts, for example, reengineered its child support collection system. Previously, collection efforts began with complaints by the caregiving spouse against the nonsupporting spouse. Caseworkers, through a labor-intensive system, then tried to track down scofflaws and intervene to try to win support. Under the new system, the state instead began relying on computers to find cases with similar characteristics, to search the database for parents who owed support, and to generate letters insisting on payment. After two years, according to one report, 85 percent of collections had occurred without a caseworker's intervention, the number of cases in which payments were collected had increased 30 percent, and the compliance rate had jumped from 59 percent to 76 percent. In Merced County, California, new software designed for individual workstations replaced mainframe-based programs for processing welfare eligibility claims; in the process, the time between the initial

application and the interview decreased from four weeks to three days or less.[28] Texas, meanwhile, launched several major initiatives to improve the state's tax administration system, which supporters believed could produce an additional $51 million in revenues per year.[29] The reengineering program recommends focusing on the program's mission, identifying its customers, and rethinking how best to deliver services. The movement argues that more efficient services will follow. Even much-maligned state Department of Motor Vehicles (DMV) offices got a reengineering makeover. According to a 2014 survey, the best DMV offices were in Ohio, Illinois, and Indiana. Connecticut, South Carolina, and Oregon ranked at the bottom.[30]

Can Citizens Be Customers?

The reengineering movement undoubtedly produced big improvements in government's delivery of services to citizens. But it also fueled a big debate over whether its premise—changing processes to improve customers' satisfaction—fit government. H. George Frederickson, for example, contended that "governments are not markets" and that "citizens are not the customers. They are the owners."[31] Critics added that the broader movement to make government more entrepreneurial is dangerous. Even if entrepreneurial behavior were a good idea, they argued, the concept could never be applied to government because there frequently is little private competition in most public functions.[32] Nevertheless, the reengineers countered that energetic, problem-solving managers would perform far better than more traditional bureaucrats rooted in standard operating procedures and organizational structures.

Moreover, even though citizens quite clearly "own" their government, many reformers argue that governments could treat citizens better—as "customers" of governmental programs—without violating the fundamental premises of democratic government. Wisconsin's DMV, for example, installed new systems to make it much easier to obtain driver's licenses: take-a-number machines that tell citizens how long they can expect to wait, new strategies to minimize those waits, satellite offices located in shopping malls, and open evenings and weekends to give citizens wider access.

The state's Department of Revenue developed a new quick-refund system that got taxpayers their income tax refund checks within two weeks. Maryland's DMV has a website that allows citizens to see wait times—before they leave their homes. In Oregon, the state's driver's license bureau surveyed citizens to determine what problem they most wanted solved; the number one problem was the poor quality of the driver's license photographs that embarrassed citizens had to carry around for years. The state installed a new electronic system that allowed citizens to choose the photos that would grace their licenses, which made them much happier with the service. As computer programs like TurboTax and TaxCut have made it easier for individuals to prepare their tax returns at home, governments have worked hard to make it easier for taxpayers to file their taxes with a touch of a button. For many Americans, the IRS has an online tax filing service that's free.

Meanwhile, during both the Trump and Biden years, the administration put strong emphasis on **customer satisfaction** as a major driver of reform. Focusing on the needs of the people, the reformers argued, would both galvanize change inside the bureaucracy and make it more responsive—which in turn, they hoped, would improve trust in government.

For customer service to be effective, however, it must fully embrace *all* of government's customers. That means attention to groups traditionally underrepresented in government agencies and as the beneficiaries of government programs. It means making the tools of customer satisfaction accessible to all, including those with sight and hearing impairments. In short, customer satisfaction is an important strategy for making the important goals of diversity, equity, and inclusion come alive.

Assessment

There is nothing new about strategies to improve organizational processes. Process, in fact, was central to much organizational thinking in the 1930s, especially to the work of Henri Fayol.[33] Indeed, Luther Gulick's famous paper "Notes on the Theory of Organization," which was written for the Brownlow Committee and advised President Franklin Roosevelt on reorganization of his office, explicitly tackled the issue of "organization by major process." Along the way, Gulick noted the critical problem of process-based organization: "while organization by process thus puts great efficiency within our reach, this efficiency cannot be realized unless the compensating structure of coordination is developed."[34]

In the decades after World War II, organizational theorists' (especially *public* organizational theorists') interest in organizational process diminished considerably. Most discussions of process revolved around *due process* and the guarantee of fair treatment for citizens.[35] James Q. Wilson's brilliant book *Bureaucracy*, however, describes "procedural organizations" as ones where "managers can observe what their subordinates are doing but not the outcome (if any) that results from those efforts."[36] This limited perspective creates a stark tension: in a situation where they cannot determine what results subordinates produce, Wilson warns, government managers often cannot understand, let alone control, the results of their programs. The reengineers, in contrast, contend that controlling process to improve results is essential to better administration. Indeed, organizational process is implicit in the work of most modern public organization theorists, but it is central to almost nothing (except, as noted earlier, to securing fair treatment).[37] Reengineering seeks to reestablish organizational process in the minds of managers, and to elevate it above even the level it enjoyed in the prewar period.

The risks of reengineering lie in its potential: overpromising and underdelivering. But as the battles over taxes grow, managers continuously look for new strategies to squeeze more productivity from scarce dollars. This has made reengineering an inescapable imperative.

MOTIVATION

Other administrative reformers have taken a very different approach, based on improving the motivation of employees to perform well. Instead of discontinuous, top-down, revolutionary change, as the reengineers recommended, the motivation-driven reformers have advocated a more gradual, continuous, bottom-up movement, grounded in the effort to motivate employees to produce better results. This approach has grown since the 1960s and has built especially on the work of W. Edwards Deming.[38] A fundamental theme is at the core: the quality of the work matters most and, with the right motivation, workers will produce better results.

The Focus on Quality

Deming contends that costs decline as quality increases. "Better quality leads to lower costs and higher productivity," one admirer explains. "The consequences for an individual company are that increasing quality leads to higher productivity, lower costs, higher profits, higher share price, and greater security for everyone in the company—the managers, the workers, and the owners."[39] Employees dominated by the profit motive tend to be unhappy; employees pursuing quality take more satisfaction in what they do, feel more secure, and work more productively. A total commitment to quality—"**total quality management**," or TQM for short—is the key to managerial success.

The motivation approach builds on a long tradition of organizational theory rooted in the 1940s, beginning with Mary Parker Follett[40] and Abraham H. Maslow[41] and continuing on to more modern motivation-based theorists. This approach has not moved to the center of organization theory, in part because it does not promise the same fundamental transformation as reengineering and in part because (once launched) it is never finished. However, the motivation-based reformers argue that this is one of the movement's strengths: no level of quality is ever enough—and only the constant search for quality can keep an organization and its workers sharp.

From Vice President Gore's reinventing government task force to state and local government efforts, the movement has often found deep resonance in American government. Reinventing government promises to "put citizens first," with employees "empowered to get results." Indeed, the footnotes at the end of the report are littered with references to TQM. Similar customer-based, continuous processes have driven reforms at state and local levels as well, from state-based reinvention efforts in Minnesota to sweeping strategic planning in Oregon.[42] The EPA used the TQM technique to improve its management of a program dealing with leaking underground storage tanks. The Air Force Logistics Command used it to improve the readiness rate of its fighter planes from 40 percent to 76 percent. In the New York City sanitation department, TQM helped to resolve labor union problems. The U.S. Department of Veterans Affairs (VA) Philadelphia Regional Office used TQM to improve service to veterans applying for loans.[43]

In fact, two students of the process concluded, "quality improvement projects have resulted in significant cost savings, improved services to agency customers and clients, and measurable improvements in employee morale and productivity."[44] The quality movement, compared with reengineering, has tended to focus more on people than on organizations, more on frontline workers than on top leadership, and more on the ability of individual workers to improve results than on the need to change structures and processes.

Engaging Employees

Finding new strategies to motivate public employees is a matter of utmost importance, because surveys across government show profound problems. Public employees are significantly less happy than private employees, according to a survey by the private consulting firm PricewaterhouseCoopers, by a margin of 43 to 32 percent. Fewer than half of public employees

in Michigan believe that their "department leadership communicates openly and honestly with employees." In the city of San Antonio, 86 percent of employees agreed they were treated with dignity and respect, but only 54 percent said they "receive recognition for a job well done."[45]

At the same time, however, government's system for assessing employee performance tends to rank almost all employees at the top of the scale. Minnesota humorist Garrison Keillor for decades closed his public radio monologue, based on his fictional hometown, with this: "Well, that's the news from Lake Wobegon, where all the women are strong, all the men are good looking, and all the children are above average." In government, according to a Government Accountability Office (GAO) survey, 99 percent of federal employees were ranked "fully successful" in 2013, and 60 percent were scored even higher. The number was even higher for employees in the upper levels of the federal civil service: 78 percent.[46] The libertarian Cato Institute concluded, "In the federal workforce every employee is above average."[47]

The employee assessment system provides no real differentiation in employee performance. In fact, GAO concluded, "Meaningful distinctions in performance ratings are the starting point for candid and constructive conversations between supervisors and staff. These distinctions also add transparency to the ratings and rewards process."[48] So there's a fundamental paradox here: many government employees feel they are not recognized for good work—and the system designed to assess their performance tends to conclude that just about everyone is doing great work.

What could be done about this? The results of a 2015 survey of federal government employees provide some useful clues. Five big themes emerge to help improve employee motivation and satisfaction:[49]

1. *Meaningful work.* Government employees want to go to work and accomplish something important. Few things could be more important than the missions that government takes on, from keeping the streets and the food supply safe to financing health care for the poor and cleaning the environment. But in day-to-day work, supervisors don't always communicate clearly to employees about how their work advances these important missions.
2. *Hands-on management.* Effective managers don't micromanage, but they do provide strong coaching to help employees determine the best direction for their work.
3. *Positive work.* Regular recognition of employees who are making strong contributions can reinforce motivation.
4. *Growth opportunities.* No employee wants to get stuck in a job. Creating opportunities for promotion and advancement, including providing training to help employees conquer new challenges, often proves very important—especially for millennials.
5. *Trust in leadership.* Followers learn to lead by watching good leaders. If they see good leaders, they're likely to become better leaders themselves. And nothing is more fundamental to that process than leaders who are transparent about agency goals and procedures and who inspire workers to do their best.

Motivating employees has always been important. In an era of government bashing, it's never been more important—or challenging. But strong and effective leaders can help motivate their employees toward better and more fulfilling work. Strong leadership development, reinforced by good research about who is doing it well, has proven an important strategy for reform.

The need for engaging and motivating employees has never been greater. A 2022 study by McKinsey, the global management consulting group, found that the customer experience of people connecting with governments at all levels ranks at the bottom, lower than grocery stores, car insurance, and pay TV.[50] Less-engaged employees typically become less motivated; less-motivated employees provide worse customer service; worse customer service lowers trust in government. During COVID-19, engaging employees, who were worried about their own health and the well-being of their families, became far more difficult. Nevertheless, another McKinsey study concluded, "organizations that set a course focused on employee experience will create meaningful impact now and well into the future."[51]

The evidence of the impact of the customer experience is impressive. One study found that:

- A positive customer experience can dramatically reduce costs.
- A negative customer experience leads people to come back again and again, in functions like call centers, which increase costs.
- A negative customer experience makes people twice as likely to publicly complain, both through social media and letters to elected officials.
- A positive customer experience makes people nine times more likely to trust the agency they're dealing with.[52]

That makes it all the more important for agency leaders, at all levels, to engage their employees and lead them to increasing the satisfaction of their customers who, after all, pay the bills through taxes.

Delivery Framework

Many governments around the world are focusing on delivery, to concentrate on the outputs and outcomes of government agencies and to devise improved strategies, from the center of government, to make delivery work better. Sir Michael Barber pioneered this effort when he worked for British Prime Minister Tony Blair, and his approach has been followed in nations around the world.[53] Barber focused on what he calls "the most difficult thing in politics, which is to run a country." The challenge, he wrote, centers "on the difficulty of getting things done." He concluded that "The path to accountable government is that much easier to walk if governments succeed in delivering at least some of what they have promised."[54]

Barber's model builds on the following concise set of rules:

1. *Have an agenda.* It's impossible to do everything, and it's hard for leaders to do anything without a clear focus on what they want to do.

2. *Decide on your priorities.* Often, of course, the list is long. Getting things done requires deciding what has to be done first.
3. *Be unreasonable.* Many things that governments want to accomplish are hard and require hard choices. Political courage is central to the process.
4. *Set a small number of well-designed targets.* It's hard to be precise about where a leader wants to go without targets to provide a guide. Too many targets really mean there are no targets. So the key is driving results to a relatively manageable collection of targets.
5. *Apply science to target setting.* Benchmarks—targets with measures that track results—can tell readers how ambitious they can be, and at what pace.
6. *Check for perverse or unintended consequences.* Not everything that happens is good, and some things that happen haven't been foreseen. Smart leaders are constantly on the lookout for results that weren't anticipated.
7. *Consult without conceding on ambition.* Effective leadership requires learning as much as possible from clients and others in the field. Consulting can richly inform action but, Barber contends, it should not put a brake on action.
8. *Targets are important but not the point.* Moral purposes—the broader goals of governance—ultimately are most important.
9. *Review the capacity of your system to deliver the goals.* Sometimes doing ambitious things requires building new government capacity—new agencies or newly trained employees—to get them done.
10. *Set up a delivery unit.* This organization, a small unit close to the government's top leader, should organize and transmit these rules throughout the rest of the government.

Other rules followed (a total of fifty-seven in all), but the first ten guide his strategy. Barber used the rules to guide a fundamental reshaping of British government, and many nations have picked up the model, often with great impact.

In the United States, a variety of "stat" programs have followed Barber's general model. The CompStat strategy in New York City was the foundation. The police department created a central unit, set priorities for reducing crime, tracked crime trends, intervened aggressively, and followed up strongly. The model spread to other police departments across the country, based on four principles that reflect Barber's strategy:

- Accurate and timely intelligence (police commanders need to know what is happening),
- Effective tactics (they need to have a plan to respond),
- Rapid deployment (acting fast is key), and
- Relentless follow-up (as some experts have put it, "If it works, do more. If not, do something else").[55]

Martin O'Malley, during his two terms as mayor of Baltimore, brought the strategy to the entire city, and then he used it as two-term governor of Maryland to transform state operations. This "stat" approach has been the most important application of the performance strategy in the United States.[56]

At the federal level, the VA used the "stat" strategy to sharply drive down homelessness among veterans. By 2014, the problem had become a national tragedy. The Office of Management and Budget (OMB) reported that veterans accounted for 9.3 percent of the American population, but 11.3 percent of homeless adults. On one January night in 2014, 49,933 veterans were homeless.[57] The VA launched a targeted program to reduce homelessness among vets, including close coordination with the U.S. Department of Housing and Urban Development. The VA set a target of finding permanent housing for 49,000 vets. In fact, it helped 64,902 vets find homes. The department used a series of metrics to track the program and drive its success.

We will explore these strategies in more detail in Chapter 13. The rise of delivery units, supported by performance indicators, has proven an especially important government reform initiative in the first decades of the twenty-first century.

ASSESSING THE REFORMS

A side-by-side comparison of the defining ideas of these three major administrative reforms—downsizing, reengineering, and continuous improvement—reveals stark differences. Table 8.1 displays the reforms according to the goals they seek, the directions in which they are implemented, the methods that characterize them, the central focus of managers following them, and the kinds of action that drive them. In brief, they may be described as follows:

- *Downsizing*, enforced from the outside in by angry citizens, seeks lower government expenditures. Its methods are blunt targets, driven by the assumption that there is ample waste in government to accommodate the cuts. Downsizers seek to shrink the size of government through strategic intervention, indeed, by firing a weapon of sufficient size to signal their fundamental disdain for existing policymakers and managers.
- *Reengineering* seeks greater organizational efficiency by pursuing a radical change in organizational process. Top leaders, with the broad strategic sense of where the organization needs to go, attempt to harness competition and the urge to serve customers, and thereby to transform their organizations.
- *Motivation* seeks to improve the results of government by creating stronger incentives among employees for strong performance and by reinforcing positive work. It builds on the relationship between workers and their supervisors.
- *Delivery frameworks* seek to create structures and processes that focus crisply on defining the most important goals, developing strong metrics, and driving the system to meet them. **Delivery frameworks** have been adopted in other countries but haven't yet penetrated American government on a broad scale.

TABLE 8.1 ■ Administrative Reform Strategies in the United States

	Downsizing	Reengineering	Motivation	Delivery Framework
Goal	Lower expenditures	Efficiency	Responsiveness	Outcomes
Direction	Outside-in	Top-down	Bottom-up	Top-down/bottom-up
Method	Blunt targets	Competition	Cooperation	Transparency
Central focus	Size	Process	Interpersonal relations	Information
Action	Discontinuous	Discontinuous	Continuous	Virtual, through internet

Assessing the conflicts among the driving ideas of these administrative reform approaches is itself an important problem. We simply don't know which one works best. More important, we don't know how to create and sustain a movement over the long haul, since many of these reforms have patterns of rising and falling in importance and interest. As reforms come and go, employees sometimes conclude that they are fads; the bigger a change they'd be required to make, the stronger an incentive they have to wait out a reform initiative—and to await the next one. But, as noted at the beginning of this chapter, reform and change have become the great constants in public administration. The challenges are so great that leaders reach for new ideas to help them carry out the change they need—and the promises they make to citizens. Change is indeed the great constant, including in the reforms that leaders advance. But the instinct toward reform is the even more fundamental constant.

These contradictions, however, have scarcely prevented both public managers and policymakers from embracing the basic ideas. The labels themselves have strong symbolic appeal, and the overall goals of each technique are unassailable. Citizens and elected officials alike find the promise of a smaller government alluring, engineered with better processes and devoted to greater responsiveness to citizens and quality. The contradictions of administrative reform ideas are both fundamentally unresolvable and politically unavoidable.

ALL THE WORLD'S A STAGE

Around the globe, two undeniable truths about public administration are evident.[58] One is that administrative reform is a fixture of government everywhere—indeed, it may well be the feature that governments share more than any other. Nations that broke out of a generation of domination by the Soviet Union are struggling to catch up. They face tasks ranging from inventing a system of public law within which a new private sector can grow to revising a tax system to fund public programs better. Developing nations are rushing to modernize their economies, and reconstructing their governments is a critical part of that strategy.[59] More developed nations are

seeking to reinvent themselves by wringing waste out of the public sector and making governmental programs more efficient. China is a management reform movement in a class by itself, as the country works quickly both to modernize a vast rural population and sustain world-class technology in other areas. But management reform is central to the country's ongoing transformation efforts.

The other truth is that, despite widespread reform, no single set of ideas is driving it. Reform of public administration is as varied as the nations attempting it. The number of basic ideas at the core of the reform movement is small, but they have come together in a remarkable array of combinations.

Downsizing carries a simple goal: shrink the public sector as much as possible, whether by selling off public enterprises, contracting out services that remain publicly provided, or imposing limits to future growth. However, although downsizing is one of the few government reforms that can quickly produce cost savings, it risks pushing government's management capacity out of sync with the job to be done. Downsizing is rarely accompanied by a restructuring of government's workforce; as a result, it is very easy to end up with too many of the wrong employees and not enough employees with the skills government needs most. Nevertheless, virtually every major government around the world has tried it, both to signal its determination to cut costs and to produce real savings.

The reengineering approaches employ both procedural and analytical tactics. Many countries have developed new processes to link operating units together better. For example, New Zealand is training top managers to develop new skills in administering programs that cut across agency boundaries. The French decentralization movement aims, in part, to bring together at the local level all those concerned with similar problems. Spain has introduced information technology to link governmental units, and **e-government** has spread around the globe. Meanwhile, a worldwide movement to reduce the number of government regulations, launched in the 1980s, is continuing. In addition, countries are relying on information and analysis to increase leverage over administrators' actions. Governments have also spent more than a decade developing **performance management** systems, in which operating managers are given greater discretion in return for accountability for performance measured against agreed-upon indicators. Many nations are linking such performance measurement with reform of financial management systems to promote planning and cost control. Australia, Finland, Iceland, New Zealand, the United Kingdom, and the United States have all moved (some much further and more eagerly than others) from cost toward accrual accounting to improve accountability. Overall, the result is a widely varied collection of strategies that fly loosely under the reengineering banner.

At the same time, many nations are relying on better measurement and training systems as they seek to change the culture of bureaucrats. Performance measurement systems are designed to focus managers on results and outputs instead of budgets and inputs. Countries are working to change expectations about career paths and to enhance managers' leadership ability. Both the Netherlands and the United States have committed to pushing decisions down to the lowest possible level. Many nations are also working to make public services more "customer centered." In Canada, for example, public officials are working to "co-locate" related services so

that citizens needing public services can come to one place instead of having to run from one government office to another. Japan has launched a major movement to make its programs more consumer oriented and transparent to citizens. And the United Kingdom has championed "joined-up government" to improve service coordination.

All the world unquestionably has become a stage for administrative reform in the public sector. Indeed, the past two decades have seen an unprecedented revolution, in both scale and breadth, in public administration. Not since the immediate post–World War II years have so many governments attempted so dramatic a reshaping of the way they do business. The postwar reforms focused principally on establishing the right structures, organized according to existing administrative orthodoxy to help governments manage their programs most efficiently; those reforms proved remarkably long-lasting.

By the 1980s, however, it was clear that the postwar reforms had sowed the seeds of their own undoing. Earlier strategies to create strong bureaucracies for solving postwar problems had evolved into bureaucracies that too often seemed oversized, overbearing, and overcontrolling. Citizens around the world complained that the taxes they paid to governments were far higher than the benefits they received. Meanwhile, governments in less developed countries and in newly independent countries struggled to catch up. A new, global revolution in public administration sprang up and, as it quickly spread around the world, it often echoed many of the same notes.[60]

CONCLUSION

One overarching conclusion stands out sharply in this review of administrative reform in industrialized countries. Although many different ideas have driven administrative reform and some seem to have built-in contradictions, reformers have indiscriminately mixed and matched approaches with little regard for the contradictions. Moreover, because the mixtures tend to come together in very different forms, patterns rarely repeat. That makes it hard to determine whether the administrative reforms work, whether some ideas work better than others, and which work best where. Reformers can and do take credit for any positive change that happens on their watch. Reform theorists do likewise, quickly pointing to inadequate application of their theories to explain any problems.

It would, in fact, be possible to use this explanation to drive a broader, cynical conclusion that administrative reform is nothing but symbolic politics, cleverly practiced. Is there, under it all, anything real going on? The cynical challenge has merit, for the symbols have proven to have broad and lasting value, in the United States and around the world. Moreover, the reform movement is about vocabulary and prescription: developing a way to capture the unhappiness that so often surrounds government performance and a strategy for solving government's problems.

It would, however, be far too cynical to stop there, for three reasons. First, the reforms have genuinely produced significant effects. American efforts have had a deep, if uneven, impact.[61] In New Zealand, reforms have profoundly transformed the public sector.[62] Indeed, the reform movement has clearly proven that government *can* change, and many of these changes have made government more efficient and effective. Quite simply, management matters. It provides

a symbolic language for understanding governmental activity and both strategies and tactics for improving results. This may not seem a very bold claim, but it is one that often is underestimated.

An equally important second conclusion is that management matters only to the degree to which it matters *politically.* It is unrealistic to expect that public administration can live a life independent of politics, or that its most fundamental meaning will be administrative rather than political. The internal theoretical contradictions of most administrative reform efforts matter far less than the fact that the contradictions themselves often seem to have important political value. It is the politics of the administrative process that matters most.

Third, many of the reforms have created big and sometimes unexpected new problems that demand careful attention. Downsizing has often created imbalances in the workforce. Growing reliance on contracts with the private sector has created problems in supervising those contracts and in ensuring the pursuit of the public interest. More attention to serving the needs of citizens as customers has flown directly into the teeth of a basic paradox: most citizens want more public services than they are willing to pay for. If government reforms have solved some problems, they have created new ones. These new issues too often have remained unexplored—and, of course, they thereby plant the seeds of a future round of reforms.

This dynamic suggests a pair of important implications. First, public managers themselves must be ready to accommodate conflicting and contradictory demands. Their lives would unquestionably be far simpler if they were allowed to pursue a single administrative approach. For that matter, their lives would be simpler yet if they were free to follow their own ideas independently of the policies established by elected officials or the needs of citizens. But that was not what they were hired to do. In democratic societies, the fundamental mission of public managers is to reconcile such fundamentally irreconcilable demands. As OMB frankly admitted in 2001:

> Though reform is badly needed, the obstacles are daunting—as previous generations of would-be reformers have repeatedly discovered. The work of reform is continually overwhelmed by the constant multiplication of hopeful new government programs, each of whose authors is certain that this particular idea will avoid the managerial problems to which all previous government programs have succumbed. Congress, the Executive Branch, and the media have all shown far greater interest in the launch of new initiatives than in following up to see if anything useful ever occurred.[63]

That pattern has repeated over the years.

The job in the twenty-first century has become harder because expectations have grown even as resources have shrunk. This means that the challenges for public managers have never been higher, nor has the need for good public managers ever been greater.

Second, administrative theorists have perhaps an even more daunting challenge. To a significant degree, the central ideas of *public* administration reform have tended to come from *private* managers. Administrative theory has significantly lagged behind these startling changes. The tasks and environment of public administration are so fundamentally different, however, that no matter how suggestive private-sector reforms may be, they are unlikely to provide very sure guides for the public sector. For example, the **customer service movement** has swept the Western world, but there simply has been little careful thought about who government's customers are,

how governmental activities can be restructured to advance customer service, how to balance the often-conflicting expectations of government's multiple customers, and what other important goals might be sacrificed in the process.

Moreover, administrative theorists face an equally imposing job of reconciling the contradictions that political realities impose on neat organizational theories. Too often, like public managers who complain that their jobs would be much easier if elected officials would stop interfering in their work, theorists complain about elected officials whose contradictory messages muddy neat theories. The problem is far more with the theory than with the practice. And the pace of administrative reform around the world demonstrates just how important it is to tackle these issues.

CASE 8.1: POKING THROUGH THE LUGGAGE: AT SAN FRANCISCO AIRPORT, PRIVATE CONTRACTORS (NOT THE TSA) INSPECT YOUR BAGS

For Samantha and Darrin, it had been a long and grueling trip back home. They finally snagged their luggage from the baggage claim carousel, dragged the bags to the car, and staggered up the stairs. "What a great trip that was!" Samantha told Darrin. "Imagine. Just a day ago—or was it two?—we were standing on top of the Great Wall of China. That's one more item off my bucket list."

Darrin was jet-lagged and found it hard to join the conversation. He unlocked the bags and started pulling out the clothing from their two-week trip. As Samantha started sorting through everything on the bed, she pulled out a paper tag. "What's this?" she asked. Darrin looked more carefully. They found a very polite "Thank you for flying from San Francisco International" printed tag inside—but the next line brought them up short. "Notification of Inspection," the tag continued. "To protect you and your fellow passengers, Covenant Aviation Security (CAS) is required by law to inspect all checked baggage." Who was Covenant? According to the tag, "CAS is a private company under contract with the Transportation Security Administration (TSA) to provide baggage and passenger screening at San Francisco International Airport."

One of Darrin's bags had been singled out for an inspection. He had been using one of the TSA-approved locks. Covenant used a special key, poked through the luggage, left behind the inspection tag, and resealed it. Neither Darrin nor Samantha had been present for the inspection. They had pulled their bags from the carousel in San Francisco, trudged through immigration and customs before reaching the domestic transfer desk, and piled their luggage on top of the growing mountain of bags waiting to be sorted onto connecting flights. At some point after they left their bags in San Francisco, Covenant employees gave the bag and its contents a close look.

Darrin was slightly incredulous that someone had gone through his stuff without his being present. He was too tired to care much that night, but in the next few days he started digging through the internet.

Soon after the September 11, 2001, terrorist attacks, Congress and the George W. Bush administration decided to federalize airport screeners. Analysts worried that the previous

privately operated screening stations had allowed armed terrorists to board the aircraft, and policymakers concluded that the public would feel safer about flying again if federal workers conducted the screening. However, the law also contained a provision allowing individual airports to opt out of the federalized program if they hired private contractors who met tough national standards. San Francisco International Airport decided to go with Covenant.

At SFO, as the airport is known, the company holds an annual tournament where its employees can win big cash prizes for winning competitions. They are challenged to find explosives in carry-on bags, pick locks on luggage, and find disguised terrorists on videos. In one competition, Covenant's president, Gerald L. Berry, posed as a dangerous-looking character. Cash prizes range as high as $1,500. "The bonuses are pretty handsome," Berry explained. "We have to be good—equal or better than the feds. So we work at it, and we incentivize."[1]

So the card Darrin found inside his luggage was part of a far larger policy debate: deputizing private companies and their employees to open locked luggage and poke through an individual's private property. The debate grew even more heated toward the end of 2010, when John Tyner, a thirty-one-year-old software programmer, filmed his screening by federal TSA officials at San Diego's airport. He complained about the physical pat-down that one TSA employee gave him. "If you touch my junk," he said, "I'll have you arrested." The story—and his clandestine video—quickly went viral online (see http://johnnyedge.blogspot.com/2010/11/these-events-took-place-roughly-between.html). Representative John L. Mica (R-Fla.) charged pointedly that TSA "was never intended to be an army of 67,000 employees."[2]

Questions to Consider

1. Would you be concerned if you found a note saying a private security guard had opened a locked piece of luggage and searched it, without you being present and without your knowledge or permission? Or would you assume this action is part of the security procedures you submit yourself to when you fly these days?
2. Do you think there's any difference between using private security guards to check luggage versus having private security guards conduct private pat-downs in the airport security area?
3. What is the proper federal role in airport security? Should the federal government concentrate on setting standards and overseeing those who administer those standards, regardless of whether they are public or private employees? Or do steps like searching luggage and patting down flyers constitute the kind of use of police power that only government officials should be empowered to use?
4. This raises broader questions: Are there functions that are inherently governmental, which only the government should perform? How far should government reform go in turning public power over to the private sector?

Notes

1. Derek Kravitz, "As Outrage over Screenings Rises, Sites Consider Replacing TSA," *Washington Post* (December 31, 2010), http://www.washingtonpost.com/wp-dyn/content/article/2010/12/30/AR2010123004986.html.

2. Ibid.

CASE 8.2: SHARK TANK FOR PUBLIC ADMINISTRATORS

Missouri's nickname is the "Show-Me State." The origin of the nickname is in dispute. But the most common tale is that it came from a speech delivered in Philadelphia by U.S. member of Congress Willan Duncan Vandiver, back in 1899. "I come from a state that raises corn and cotton and cockleburs and Democrats," he declared, "and frothy eloquence neither convinces nor satisfies me. I am from Missouri. You have got to show me."[64]

For the state's public administrators, the chance to Show Me—to come up with great new ideas to tackle some of the state's toughest administrative problems—was irresistible. The state created "The Show Me Challenge," to "improve how we serve our citizens, cut out unnecessary bureaucratic work, and/or save time and money."[65]

State officials modeled the challenge after the hit television show *Shark Tank*. The state's senior leaders said that "senior leaders know that many of the best solutions come from state team members, the people working hard for their fellow citizens every day." So they challenged the state's administrators to identify an important problem and develop a pitch for a solution. The pitch had to include a project plan—and what impact that plan would have. A special selection committee then winnowed the pool to ten finalist teams, who developed a full proposal. A few months later, the finalists made in-person pitches to a panel of judges, with a *Shark Tank*–like question-and-answer session.

The prize was not only engaging employees in developing fresh solutions to nagging problems. The members of the winning teams won cash: $1,000 for each member of the winning team; $750 for second place; $500 for third place; $150 for fourth place; and $100 for fifth place.

Previous winners developed electronic notifications for motor vehicle and driver's licenses, obtaining lab supplies through the COVID-19 pandemic, and a new recycling program for state parks.[66] One team member, Dawn Sweazea, said, "It's very intense," after her team developed a plan for existing state employees to refer potential new employees. She continued: "We practiced out pitch a lot, and tried to get in front of different audiences to see what the questions from the judges might be. As a result, we were well prepared, so we didn't have trouble with the questions. We originally had a video that we were going to incorporate because we wanted visual appeal. But then we decided to scrap that because it was distracting."

Sweazea and her colleagues sweated out the judges' deliberations. Late that afternoon, she got a text. "We won! Tears sprung to my eyes," she said, "and I wished the whole team was together in the same space, instead of a series of virtual high-fives."[67]

Questions to Consider

1. What do you think of Missouri's "Shark Tank" for new ideas? Is this something other states ought to emulate? Or should innovative ideas be part of the regular routine in government agencies, without the necessity of prizes?
2. Do you think that competitions like this might change the culture of organizations?
3. Create your own "Shark Tank." Organize a team, identify a governmental problem, devise a pitch, and compete with other teams in your class for the best solution to an important issue.

CASE 8.3: THE WAR ON ZIKA

When a Zika virus outbreak first made international news in early 2016, reporters from around the world flocked to Rio de Janeiro to get a handle on the story. It was a big news item with a tragic twist—mosquitos were spreading an illness that caused mothers to give birth to babies with microcephaly, an abnormally small brain. Microcephaly is incurable and leads to a host of health problems ranging from seizures to learning challenges, and it could even be life-threatening in severe cases. With the Rio Olympics scheduled to begin in August 2016, the news stories had extra urgency and reporters asked tough questions: Would the government of Brazil respond effectively? Would visiting athletes risk taking Zika home with them? Was this a harbinger of a much larger spread of the disease into other countries?

After a few days, reporters ran out of material in Rio and headed to Recife, capital of the Brazilian state of Pernambuco. The state quickly became the center of the outbreak's story, with wrenching cases of distraught families with babies who faced huge challenges. The Zika outbreak was not only an inescapable news story; it was also a tale full of enormous personal tragedy.

Behind the scenes, there was a dramatic story of government reform in action. One of the reasons why Pernambuco became the center of the Zika story is that its government detected the condition sooner than most governments in the region. As part of a major government reform initiative launched in 2007 by the state's governor, the state's health officials detected the problem quickly. Pernambuco had developed an advanced disease detection system, which provided quick feedback to government officials on the number of Zika cases and their impact.

The process of creating this performance management system had also created a close relationship between the state's doctors and public health officials. As microcephaly cases began emerging, doctors were puzzled. Where were they coming from? Doctors began doing their own sleuthing and concluded that the condition was the product of the Zika virus, that the virus was being transmitted from mothers to their unborn babies, and that the mothers were contracting Zika from mosquito bites. That meant that controlling the disease meant controlling mosquitos. Within forty-eight hours, state government officials worked with doctors to create a plan to combat the outbreak. Because of the broader performance framework that the state developed in the previous decade, the plan to address the outbreak focused not only on wiping out the mosquitos. It also included a comprehensive strategy to help families cope with the implications of microcephaly.

This performance framework grew out of a strategy to solve three basic problems:

- How to achieve results for the citizens,
- How to ensure cohesion across the administration, and
- How to stimulate managers' accountability for the results of the government.[1]

The governor focused on devising a strong center of government, integrating governmental plans, implementing those plans more effectively, developing a strong system to monitor performance, and then evaluating the results systematically. The comprehensive performance framework focused on four interlocking steps: doing, controlling, acting, and planning. When Zika struck, this framework helped the state respond more quickly and effectively than virtually any other government in the region.

This performance framework built on clear priority goals and operational plans, so that top government officials could define what they wanted the government to accomplish. There was a data-based "dashboard" that provided quick feedback on what the plans were accomplishing. Armed with this feedback, government officials could fine-tune their plans, as well as how best to accomplish them. At the center of the performance framework

approach was a clear definition of just who was responsible for what, as well as a mapping system to break down the government's big goals into specific operational steps in individual programs. Its cornerstone was accountability.

In the performance framework's first years, the accomplishments were remarkable. Students in the state improved their ranking on standardized tests from twenty-first to fourth place in Brazil. Dropout rates declined, with Pernambuco improving from twenty-sixth to first place—the lowest dropout rate of any state in the country. Violent crimes fell 27 percent from 2006 to 2015.

All of these programs shared the same basic strategy: the state's top officials defined their goals; devised strategies to achieve them; broke the strategies down to individual programs; tracked the programs and what they accomplished, with an up-to-date performance measurement system; and established broader program evaluation to assess how well the programs achieved the overall goals.

One of the big challenges in many performance systems is building—and sustaining—political support. Here, the performance management system paid off richly for its creator, Governor Eduardo Campos, who in a few short years became the most popular governor in Brazil. His successor, Paulo Câmara, continued the same strategy—and shared the same results, winning 68 percent of the vote.

Conventional wisdom often holds that good management is often not good politics. The officials of Pernambuco proved that it can be otherwise—and it can help the government respond to unexpected crises like a Zika outbreak.

Questions to Consider

1. Are you surprised by Pernambuco's success in tackling the Zika crisis? How did its existing management system prepare its government for responding to the challenge?
2. Consider the elements of the state's strategy. How do data and management intersect with top leadership to help drive results?
3. Does the strategy have implications for government reform in other parts of the world—including the United States?
4. How do management reforms interact with real-world politics? How would you create a message that good management—and good management results—is good politics?

Note

1. Martin Alessandro, Mariano Lafuente, and Ray Shostak, *Leading from the Center: Pernambuco's Management Model* (Washington, D.C.: Inter-American Development Bank, 2014), p. 5, https://publications.iadb.org/handle/11319/6435.

KEY CONCEPTS

Balanced Budget and Emergency Deficit Control Act
continuous improvement
customer satisfaction
customer service movement
delivery frameworks
downsizing
e-government
performance management
President's Private Sector Survey on Cost Control
reengineering

reinventing government
Taxpayer Bill of Rights (TABOR)
total quality management (TQM)

FOR FURTHER READING

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SUGGESTED WEBSITES

The Office of Management and Budget website, **www.whitehouse.gov/omb**, contains the administration's most recent management reform initiatives. The congressional Government Accountability Office, **www.gao.gov**, conducts independent assessments of the effectiveness of government management. The best source for tracking government reform initiatives around the world is the Organization for Economic Co-operation and Development, **www.oecd.org**

PART III

PEOPLE IN GOVERNMENT ORGANIZATIONS

The U.S. Postal Service's famous informal slogan is inscribed above the doorway of the old Post Office Building on Eighth Avenue in New York: "Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds."

This slogan has deep roots, with the Greek historian Herodotus, who wrote about mounted couriers who carried messages for the Persians in a war against the Greeks at about 500 BCE. Herodotus, however, could never have foreseen the many demands placed upon government couriers today—or their need to cope with challenges from UPS, FedEx, email, texts, Facebook, Twitter, and Instagram, as well as the prospect of packages being delivered by drones. Nor could he have anticipated the rise of campaigns targeting government and its workers. Despite all of the challenges the Postal Service faces, Herodotus would certainly recognize a fundamental truth: the organization's performance, as well as the performance of most public organizations, depends on the people who work for it.

Doing the public's work—and doing it well—requires finding, recruiting, and retaining good people; ensuring that they work according to the laws and norms of a democratic society; and creating incentives for the highest levels of performance. This section examines the foundations of the civil service system, the system of political leadership that guides it, and the efforts to reform it. The quality of the system's people determines the quality of the government's work, regardless of whether that work encounters snow, rain, heat, or gloom of night. And, as earlier chapters hinted, the relationship between the work of public administrators and the mission of administrative organizations is the keystone of accountability.

As part of the effort to improve security around the country, the states began issuing "RealID" driver's licenses, including this one to Julian Riediger in San Francisco.

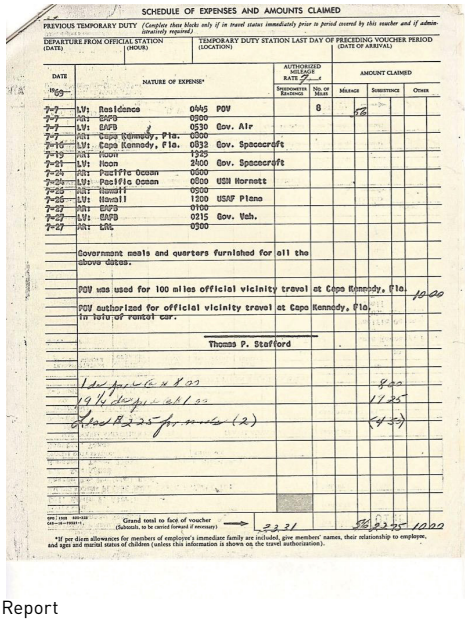
Source: San Francisco Chronicle/Hearst Newspapers via Getty Images

9 THE CIVIL SERVICE

LEARNING OBJECTIVES

- Understand the fundamentals of the civil service system
- Examine the basic elements of the civil service
- Explore the ongoing challenges to the basic principles of the civil service
- Understand the right and obligations of public employees

Civil servants are the basic building blocks upon which public administration rests. Consider what astronaut Neil Armstrong uttered as the first man on the Moon in 1969: "that's one small step for a man, one giant leap for mankind." But Armstrong was not only an astronaut; he was also a civil servant, an employee of the National Aeronautics and Space Administration. The day was one of enormous national celebration, and President Richard Nixon designated the day of the moonwalk a holiday for the government's employees. He received the standard government per diem provided to employees on a travel assignment—$8 per day, although the government made deductions for accommodations, since he was provided a place to sleep in his moon lander. His salary at the time was about $17,000 per year.[1] His fellow moon walker and fellow civil servant, Buzz Aldrin, later shared his travel reimbursement form for the trip. The reimbursement was for $33.31. He didn't receive travel expenses to the moon, since the spacecraft provided his food and shelter, paid by the government.



SCHEDULE OF EXPENSES AND AMOUNTS CLAIMED

PREVIOUS TEMPORARY DUTY *(Complete these blocks only if in travel status immediately prior to period covered by this voucher and if administratively required.)*

DEPARTURE FROM OFFICIAL STATION (DATE) (HOUR) | TEMPORARY DUTY STATION LAST DAY OF PRECEDING VOUCHER PERIOD (LOCATION) (DATE OF ARRIVAL)

DATE 1969	NATURE OF EXPENSE*		AUTHORIZED MILEAGE RATE		AMOUNT CLAIMED		
			Superseded Revised	No. of Miles	Mileage	Subsistence	Other
7-7	Lv: Residence	0845 POV		8	16		
7-7	Ar: BAFB	0930					
7-7	Lv: BAFB	0930 Gov. Air					
7-7	Ar: Cape Kennedy, Fla.	0800					
7-16	Lv: Cape Kennedy, Fla.	0833 Gov. Spacecraft					
7-19	Ar: Ocean	1325					
7-21	Lv: Ocean	1400 Gov. Spacecraft					
7-24	Ar: Pacific Ocean	0600					
7-24	Lv: Pacific Ocean	0800 USN Hornett					
7-25	Ar: Hawaii	0300					
7-25	Lv: Hawaii	1300 USAF Plane					
7-27	Ar: BAFB	0100					
7-27	Lv: BAFB	0215 Gov. Veh.					
7-27	Ar: Res.	0300					
	Government meals and quarters furnished for all the above dates.						
	POV was used for 100 miles official vicinity travel at Cape Kennedy, Fla.						10.00
	POV authorized for official vicinity travel at Cape Kennedy, Fla. in lieu of rental car.						

Thomas P. Stafford

1 day @ $16 = $8.00
1 1/4 days @ $11 = $11.25
Less $8.25 for meals (2) = (4.50)

Grand total to face of voucher (Subunits, to be carried forward if necessary) → 33 31 | $16 | 22 95 | 10 00

*If per diem allowances for members of employee's immediate family are included, give members' names, their relationship to employee, and ages and marital status of children (unless this information is shown on the travel authorization).

Buzz Aldrin's Travel Expense Report

Following his 1969 trip to the moon, Buzz Aldrin filed his expense report. He did not claim meal and lodging expenses, because "Government meals and quarters furnished for all above dates."

Source: Twitter, @TheRealBuzz, https://twitter.com/TheRealBuzz/status/626812956148248577.

THE FUNDAMENTALS OF THE CIVIL SERVICE

At the federal level, the 1883 passage of the Pendleton Civil Service Act, championed by Ohio Senator George H. Pendleton, a Democrat, and signed by President Chester A. Arthur, a Republican, championed basic principles about the merit system. Charles Guiteau, who believed he had been denied a government position to which he felt entitled, had assassinated President James Garfield. That was just the tip of the patronage iceberg, in which personal loyalty and support for a political campaign determined who got government positions. In the aftermath of the assassination, reformers concluded that the existing system brought too much chaos to the government, with vast numbers of employees turning over after each election. Filling those positions with those who had supported the candidate in the election certainly did not bring the most qualified people to government. The civil service thus was born.

The U.S. Merit Systems Protection Board lays out the basic principles that guide the civil service system, established in law (see Table 9.1).

Over the years, however, the basic foundations of the civil service have been in unending debate. Some members of the Trump administration argued that the bureaucracy fostered a "deep state" that was resistant to the policy decisions of the elected president.[2] There was a strong effort at the end of Donald Trump's time in office to eliminate all civil service protections for federal employees who had some influence over policy. This proposal was named "Schedule F" because "F" fell next in the order of civil service provisions. Its proponents slammed government career officials of "insubordination," especially for career officials advancing the argument to temporarily lock down the economy in the effort to beat back COVID-19. James Sherk, who championed Schedule F, attacked career civil servant Dr. Deborah Birx for "advancing her own policies in defiance of senior White House staff." Sherk said he saw similar behavior by many other civil servants, who rejected the position that "Career employees should give their best advice to political appointees, but once politically accountable officials make a decision, career staff should implement it faithfully." Because too many officials reject that position, Sherk argued, the president's efforts too often produced "sabotage" by career officials. The only answer, he said, was to make it possible to push aside civil service protections and make it much easier to fire federal employees who don't agree with an administration's policy.[3]

Sherk and others pointed to Article II of the Constitution, which begins, "The executive Power shall be vested in a President of the United States of America." This has led critics of the civil service system to build what they call the "unitary executive" theory, which points to this part of the Constitution to argue that presidents have the power to do what they think is best to advance their policies. The civil service system is unconstitutional, they contend, because it too often infringes on the president's power. So they call for abolishing it—or, at the least, making it much easier to fire poor performers or those in policy positions who get in the way of the president's policies.[4] Philip K. Howard wrote,

TABLE 9.1 ■ Merit System Principles

1. Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge and skills, after fair and open competition which assures that all receive equal opportunity.
2. All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.
3. Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.
4. All employees should maintain high standards of integrity, conduct, and concern for the public interest.
5. The Federal work force should be used efficiently and effectively.
6. Employees should be retained on the basis of adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.
7. Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.
8. Employees should be—
   - **A.** protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and
   - **B.** prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.
9. Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences—
   - **A.** a violation of any law, rule, or regulation, or
   - **B.** mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

Source: U.S. Merit Systems Protection Board, "Merit System Principles (5 USC § 2301), https://www.mspb.gov/msp/meritsystemsprinciples.htm.

> The constitutional question is this: Does Congress have the power to tell the President that he cannot terminate inept or insubordinate employees? The answer, I believe, is self-evident. By Executive Order, the President could replace the existing civil service system with a framework consistent with legitimate goals—a new civil service system that honors principles of neutral hiring and is designed to foster a culture of excellence.[5]

Those arguing this position point to the adage, "elections have consequences," and stake their claim against the civil service and the protections it offers from political interference.

Article II of the Constitution does indeed give the president executive power. However, Article I gives Congress "all legislative powers," and that has always included the power "To make all Laws which shall be necessary and proper." The separation of powers baked into the Constitution also creates the foundation for constant conflict between the executive and legislature for who should do what, and who should be accountable how.

The long tradition of the civil service system faces serious debate. In this chapter and in the next, we'll explore the system and the issues that frame this debate.

BASIC ELEMENTS OF THE CIVIL SERVICE SYSTEM

"For the unanointed," journalist Jonathan Walters explains, "no topic around public administration is considered more baffling—or stultifying—than civil service."[6] But the foundation of the civil service is the need for government to acquire the talent it needs to accomplish the complex jobs it has.

Applying for a Government Job

Suppose an individual wants to work for the people by working for the government. What are the basic steps?

First, a government agency must determine that it has an opening. The agency must identify what position is open, what skills it requires, and what salary that position will pay. Second, it must advertise the position, to provide an opportunity for anyone who might be interested in the position to apply. Civil service positions must be open to all, without providing anyone an inside track. Third, individuals who are interested in the position must apply for the position and submit information about their qualifications. Fourth, the individuals with the authority to make hiring decisions must weigh the qualifications of those who have applied. Fifth, often after interviewing the top applicants, the hiring authority makes an offer. The rules traditionally have often required the hiring process to follow the **rule of three**—to identify the top three applicants—and then have the individual responsible for hiring decisions—the "hiring authority"—make an offer from among the individuals in that group of three. The lucky applicant then accepts the position.

Federal jobs typically are posted on USAJobs. State and local governments have similar online job announcement systems, ranging from a single website with opportunities for jobs with the city and county of Denver to "Team Georgia Careers," for those interested in working in the state government there. Most governments have moved away from the traditional written exams toward review of educational background and work experience. For some positions, like a place in the New York City Police Department, written exams remain, designed to focus on "cognitive ability, observational skills, and mental acuity," as the department's website puts it.[7] A sample exam begins by asking candidates to carefully study a photo for five minutes, and then answer a series of questions about what they've seen, ranging from the number of air conditioners in the photograph to the address of one of the buildings (because the department wants officers with a keen sense of observation and the ability to remember what they've seen). Another question defines a burglary—"when a person enters or remains in a building in which he has no right to be, intending to commit a crime"—gives candidates a series of hypothetical cases, and asks them to determine whether a burglary has taken place.[8]

Fairness, Merit, and Complexity

In all of these cases, the basic principle is the same: to ensure that anyone interested in working for the government has a fair chance of getting a government job, and that the government hires new employees based on their qualifications, not on favoritism.

The basic principles are simple; their execution is often anything but. There typically are many applications for government jobs, and determining who ought to rise to the top is difficult for often-overwhelmed officials in charge of hiring. As federal personnel expert Jeff Neal noted, "For many people, submitting an application is like tossing it into a black hole, never to be seen or heard from again." The basic federal job site, USAJobs, is hard to search, rarely proves effective to recruit the very best applicants, doesn't provide a good guide to the way the hiring process works.[9] As Jeff Zients, who served as the federal government's chief performance officer during the Obama administration, put it, "I know from my business experience that the best talent doesn't wait around for jobs, they find work elsewhere."[10]

Government nevertheless must do its very best to find the talent it needs. That leads to the building blocks of the personnel system.

There are three fundamental elements of the **civil service system**: position classification rules, staffing rules, and compensation rules. There's a complex chain of issues and actions, for agencies and employees, in filling a government job (see Figure 9.1).

FIGURE 9.1 ■ Personnel Steps for Agencies and Employees

Position Classification

The first building block of the civil service system is **position classification,** which identifies each position in terms of the special knowledge the job requires, its level of difficulty, and the responsibilities (including supervisory duties) that come with it. These steps are very similar to what occurs in most large private-sector organizations as well. Each position is defined according to the occupation (e.g., policy analyst, budget examiner, urban development specialist, civil engineer). Government positions then typically are graded by the position's degree of difficulty and responsibility. The federal civil service system has fifteen grades in the General Schedule (GS), which governs most employees. Civil service systems at the state and local levels generally operate in the same way.

Once an individual is hired, the position description details the duties and salary. The position, not the person's qualifications, typically determines the salary. At the federal level, the **General Schedule** determines the salary. College graduates often qualify for entry-level professional positions, beginning at the GS-5 to GS-7 levels. With a master's degree, an applicant may qualify for placement at the GS-7 to GS-9, and sometimes to GS-11 levels. The level, in turn, sets the salary for the new employee.

At the state and local level, the process works much the same. For firefighters, for example, there are written aptitude tests as well as physical tests for agility and speed. These tests, however, have often become the source of much controversy, as more women have moved into these roles. Critics have argued that some strength tests did not match the actual skills required of firefighters and, therefore, served mainly to exclude women from the workforce. At one point, the job of ambulance workers was mainly to scoop patients up and scoot them to the hospital, and there were relatively few requirements beyond strength and the knowledge of basic first aid. With the development of advanced life support skills and equipment, however, the examinations for emergency medical technicians (EMTs) have become very complex, often with separate exams for airways, cardiology, trauma, and other highly specialized skills. These tests have become far more important in finding skilled EMTs. They have also opened the door to more individuals who can show they have the basic skills, and that has helped sweep away the previous gender bias of the earlier tests.

The basic principle is choosing employees based on *what* they know, not *whom* they know. That process is often difficult, however, for several reasons. First, the job description rarely matches the actual job, because responsibilities often change and it is difficult for supervisors to write descriptions that keep up.

Second, the formal structure of civil service grades creates a tendency for agencies who want to hire and promote people they want the most by paying them a higher salary. The easiest way to do that is to nudge the person into a higher grade, which can lead to **grade creep.** The same is true when the rigidity of the process makes it hard to boost the salary of valued employees. The easiest way to solve that problem is to upgrade the position. But that can disrupt the structure of the system designed to bring uniformity to the civil service.

Third, as work has become increasingly specialized, it's become harder to keep the system up to date. Information technology experts have replaced clerks and typists. Government sometimes needs experts with special skills—not just engineers, but engineers with advanced training in the operation of urban water systems. The more specialized the position, however, the fewer people are likely to qualify. That, in turn, makes it tempting for hiring officials to define the job even more narrowly, in ways that give special advantage to those they know well. This tends to make it even harder to run the merit system. Government managers quickly respond that they want to make sure they get the employees that they need, and they can't afford to be handcuffed by arbitrary testing processes, especially those aimed at jobs that have become obsolete. That puts the personnel office in the uneasy role of trying to balance both sides of the argument, but the tensions are an ongoing source of controversy in the personnel system.

Staffing

The big challenges, for both government hiring officials and interested applicants, are matching the position's needs with the applicant's qualifications—and demonstrating the match through an impartial assessment.

Finding Talent

For many jobs, of course, there is no good standardized test. That's especially the case for professional, managerial, and analytical positions. At the local level, the prime qualifications for teachers' positions are often the prospective teacher's educational background. Some states like Wisconsin have switched from tests to a resumé-based assessment system to select new government employees. As work has become more complex and less standardized, government hiring has moved away from standardized testing processes.

The challenge for recruiting for frontline positions can be daunting. As Anil Comel, interim deputy city manager for Richmond, California, put it, "We need to be nimble in hiring and promotional processes." He continued, "Like the private sector, we need to promote on the basis of outcomes, identify high performers and keep them motivated and engaged by giving them challenging projects."[11] Everything from LinkedIn to the networks of former employees have proven very helpful in recruiting talent.

At higher levels in the federal government, the federal Office of Personnel Management has given agencies much more flexibility in devising screening processes for identifying the best new employees. For recruiting individuals for the higher executive-level positions, the federal government has identified a collection of "executive core qualifications" (ECQs). Even though these ECQs apply just to the top-level executive positions, they have increasingly come to define the overall strategy for the federal government's talent management system. The ECQs provide a powerful guide for the kinds of skills the federal government is trying to nurture—and the skills that students aspiring to leadership positions in the government need to develop, in their educational programs and over the course of their careers (see Table 9.2).

TABLE 9.2 ■ OPM Executive Core Qualifications

	Definition	Competencies
Leading change	This core qualification involves the ability to bring about strategic change, both within and outside the organization, to meet organizational goals. Inherent to this ECQ is the ability to establish an organizational vision and to implement it in a continuously changing environment.	Creativity and innovation
		External awareness
		Flexibility
		Resilience
		Strategic thinking
		Vision
Leading people	This core qualification involves the ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this ECQ is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts.	Conflict management
		Leveraging diversity
		Developing others
		Team building
Results driven	This core qualification involves the ability to meet organizational goals and customer expectations. Inherent to this ECQ is the ability to make decisions that produce high-quality results by applying technical knowledge, analyzing problems, and calculating risks.	Accountability
		Customer service
		Decisiveness
		Entrepreneurship
		Problem solving

Source: "Executive Core Qualifications," U.S. Office of Personnel Management, https://www.opm.gov/policy-data-oversight/senior-executive-service/executive-core-qualifications/#url=Overview.

Engaging Workers

Across both the private and public sectors, the evidence is clear: workers who are most engaged in the work of their organizations contribute most to the organizations' mission. In workplaces where employees are most engaged, productivity and customer satisfaction are higher, and turnover and absenteeism are lower.[12] And how does employee engagement vary? Overall, engagement is higher in the private sector than in government. Engagement is highest at the local level, followed by federal and state government employees.[13] Moreover, "an increase in employee engagement scores led to an increase in public trust," researchers from the consulting firm Deloitte found.[14]

CHALLENGES TO THE MERIT SYSTEM

The merit system retains a strong hold on American public policy. Consider the basics. Who would *not* want to staff the government with those who demonstrate genuine merit. Alternatively, who *would* want to return to the pre-merit-system days of staffing the government with party hacks? But the system must confront a series of ongoing challenges.

The "Rule of Three"

The "rule of three," a principle that limits hiring managers to the top three candidates on civil service exams, seriously limits the hiring choices of government officials. In Philadelphia, the policy was even more limited, to a "rule of two." The rule was established in the 1950s to reduce political patronage in hiring for city jobs. It was difficult to administer—if a hiring official didn't like the two candidates put forward, the process had to begin again from scratch. Moreover, officials increasingly complained that the rule choked off hiring that would increase the diversity of the workforce. As Council Majority Leader Cherelle Parker said, "For too long, the Rule of Two has held back Black and Brown employees, either from obtaining that entry-level job or from getting that promotion."[15] Because the policy had been placed in the city charter, it took city officials convincing voters in 2021 to remove it.

Internships

The internship process has been a sea of churning turmoil over the last few decades, and that has complicated routes into government jobs. In private-sector organizations, students often look for good internships. The assumption, among both students and their supervisors, is that if the internship works out well for both sides, it will lead to a permanent job offer. That, however, has proven a far more difficult road in government. Internships often provide great experience, but the tough rules and restrictions created by the merit system often make it difficult to translate a good internship into a permanent position.

Of course, an internship can bring genuine advantage: experience, which can enhance an application; a knowledge of upcoming openings, which can improve a candidate's timing; a collection of strong supporters, who can prove invaluable in navigating the complexity of the system; and a strong sense of an agency's operations, which can make for a stronger interview. But the basic requirements of the merit system can make it difficult to roll an internship into a permanent position. Public employee unions, in some cases, have challenged the role of internships in creating smooth routes of entry for college students. Such internships, they have charged, might take jobs away from those the unions represented.

Some governments have developed fast-track hiring processes. Some cities, for example, offer carefully structured internship programs, like the Phoenix's Management Intern Program. State governments, like North Carolina and New York, offer internship programs as well. At the federal level, the Presidential Management Fellows Program is a competitive initiative in which applicants can convert their two-year fellowship into a permanent position. The federal government's Internship Program and Recent Graduates Program allow those who complete the program to convert into permanent positions. These programs are administered by federal agencies, not the federal government as a whole, so success requires careful research and investigation. This collection of programs offers strong possibilities for students interested in government careers.

Veterans' Preference

There has long been a principle that individuals who serve in the armed forces should get preference in the search for government jobs. This is a traditional part of the benefits package that

comes with military service, and it has had strong support from policymakers. There have been preference programs for veterans since the Revolutionary War, but since the end of World War II it has been a permanent part of hiring policy at the federal level, and in many state and local governments as well.

Many positions are filled through an exam or qualification system. In the federal system, veterans earn a five-point bonus. If they are disabled, they earn a ten-point bonus. That means veterans who do well in the basic exam get a bonus that nonveterans cannot beat. With a rising number of veterans due to the long wars in Iraq and Afghanistan, and with government jobs offering attractive salaries and benefits, larger numbers of veterans have sought government employment—and have been successful. Nearly a third of all federal employees have served in the military, including nearly half of all employees in the federal government's largest department, Defense. In comparison, vets account for 8 percent of the working-age population. One-fourth of all new hires in 2017, the most recent year for which data are available, had veterans' preference. Veterans, however, do not constitute as large a share of new hires at the state and local level. Veterans do have a big advantage in government hiring. Veterans' preference makes a big difference in the federal workforce. Compared with nonveterans, veterans who work for the federal government tend more likely to be male (80 percent of veterans in the federal workforce are male, compared with 46 percent who are not veterans); more likely to be Black (20 percent, versus 17 percent of the nonveteran workforce); less likely to have a college degree (42 percent, versus 56 percent of the nonveteran workforce); and less likely to be located in the D.C. metropolitan area (10 percent, versus 17 percent for nonveterans). Although veterans do have an advantage in hiring, they tend to leave faster than nonveterans.[16]

These statistics have sparked widespread debate. Some observers believe that the nation's obligation to ensure good employment opportunities for those who have fought its wars should be met by providing preference in government employment. Others worry that veterans' preference distorts the workforce and makes it harder to match the skills government needs with those the system makes available. That, in turn, has led to strong debates about whether to end veterans' preference (and there is strong opposition in many quarters to that proposal) or to modify it (perhaps by providing it only for the first job for which a veteran applies, rather than throughout a veteran's career, or after the other steps in the merit process have been completed). Not surprisingly, veterans' service organizations oppose any modification of veterans' preference, and many members of Congress share their view. But many specialists in the field worry that veterans' preference has distorted the government hiring process and has complicated the task of finding the best talent.

Diversity

In the United States, as well as in many of the world's largest nations, diversity in government employment has become increasingly important. In 2009, the Organization for Economic Co-operation and Development (OECD) argued that diversity was important to help "achieve political and social government objectives such as social mobility, equity, and quality in service delivery." A more diverse government workforce can also "help to preserve core public service values such as fairness, transparency, impartiality and representativeness," OECD concluded.[17]

The diversity argument is important in two respects. First, as the prime focus for government's most fundamental values, if employment in government is not diverse, it is hard to advance it elsewhere. Second, if diversity is an important value, then employment in government provides an important opportunity to promote it. Third, it captures the debate between Friedrich and Finer that we saw in Chapter 2: will a government whose employees mirror the citizens they service be more likely to be accountable to those citizens? For all of these reasons, governments at all levels not only prohibit discrimination in hiring; most governments also actively seek to increase the diversity of their workforces. These policies have produced a remarkably diverse workforce.

Promotion

In most government agencies, there often are few chances for lateral entry from the outside, because many of the existing rules make it hard for outsiders to move in and then move up. Agencies fill most higher-level positions from insiders, either through promotions of employees already in an office or from transfers from within the same (or closely related) agencies. In fact, that's long been a basic foundation of the merit system, which anticipates that individuals will have long (possibly lifetime) careers, with advancement through promotion. Agency managers typically have great discretion. If an employee meets at least the minimum requirements, in education and experience, for a position, managers can select the employees they prefer. Candidates for promotion or transfer do not need to compete with those outside the agency, and agency managers do not need to look at all possible competitors within the agency. That makes it possible for employees to break out of dead-end positions by shopping around to find a unit to which they can be transferred and promoted. Sometimes, in fact, new employees accept a job at a lower level than they might be qualified for, in the hope that they can quickly learn the system and find a better job in the agency at a higher salary. That, in turn, helps strengthen morale, because there is a strong expectation that managers will reward good work from subordinates by supporting their promotions.

There is a downside to this process. The relatively closed promotion system can make it difficult to bring in new ideas. Some systems, including those for officers of the armed services and in the foreign service, follow a tough up-or-out process: at a certain level, officers are either promoted or must leave the service; at each step up the hierarchy, there are fewer positions at the next level, so the up-or-out process tends to weed out employees along the way. Moreover, not everyone *wants* a promotion, because the extra money can also come with much more responsibility. Workers who don't seek to get ahead can settle into their positions, produce merely adequate work, be difficult to remove, and lower the overall performance of the organization. Some of the reforms we explore in the next chapter are designed to solve that problem.

Separation from Government Service

Government employees tend to have long careers in the civil service. At the federal level, for example, the average worker is 47.5 years old and has 13.5 years of service.[18] Relatively few federal government workers are fired. In 2021, for example, just 10,688 employees were removed for disciplinary or performance problems.[19]

That number cuts two ways. There's a common assumption that it's impossible to fire a government worker, and that's not true. On the other hand, the burden for building a case for firing a government worker is substantial, and many supervisors simply choose to put up with poor performers—or recommend their transfer to another office. Moreover, it's often not that easy to fire private-sector workers; the procedures there are often complex as well. Turnover in the private sector, for all reasons, was about 3.7 percent each month in 2022. In the federal government, the number was just 1.5 percent. State and local government turnover was higher, at 1.8 percent.[20]

Governments sometimes find that tight budgets require them to downsize their workforce. In economic downturns, state and local governments have relied on **reductions in force** (**RIFs**, or "riffing," for short). Governments reduced their personnel ceilings. That, in turn, triggered elaborate rules about which employees could be retained and which ones had to be riffed first. In general, lowest-seniority employees are the first to go. A higher-seniority employee whose unit shrinks in size generally can "**bump**" a lower-seniority employee, even from a job at a lower level. That, in turn, can trigger further bumps, until the lowest-seniority employees must leave government service. Needless to say, such RIFs can devastate both an agency's capacity and employee morale. To avoid that complex and painful process, governments sometimes use the same tool as the private sector: **buyouts**, which provide employees with cash payments in exchange for a decision to leave public service. Moreover, when the government needs to reduce its personnel costs because of short-term budget crises, it sometimes will impose a furlough, in which employees are told not to report to work for periods ranging from days to weeks, and they do not receive their pay during that time.

Compensation

The government's ability to attract and keep great workers depends heavily on the salaries and fringe benefits it offers. Pay, to be sure, is not the only factor that a worker considers in seeking, accepting, or staying in a particular organization. Working to serve the public is an important motivating force. However, governments must compete in the labor market for highly skilled workers, and competitive compensation is important in ensuring that the government can hire the people it needs to get its work done.

The basic policy, at all levels of government, is that pay ought to be comparable between the public and private sectors, but the challenge for government of keeping up is large and the gap is growing. According to a report on state government hiring by the consulting company Accenture together with the National Association of State Chief Administrators, "as the public and private sectors battle for talent, government is falling too far behind in preparing for the workforce of the future." State administrators put "attracting new employees to work for the organization" and "establishing a flexible and agile workforce" among their top challenges. The report noted,

> Governments historically have had a compelling proposition to offer workers: secure lifetime employment and generous health benefits followed by a robust pension for retirement. In many states, that bargain is now eroding. With state workforce levels still below pre-recession levels, ongoing layoffs and federal actions impacting union activity, job security is no longer seen as a given with state employment. Meanwhile, workers are

being required to kick in ever-larger contributions toward health benefits. And defined benefit pensions are underfunded, being phased out for new joiners or both.

In fact, 85 percent of the states said that they couldn't offer salaries that were competitive with the private sector.[21] The situation is the same at the local level. Many local governments have teacher shortages, and teacher strikes have spread across the country as teachers struggle for higher pay. The Economic Policy Institute, in fact, concluded that "relative teacher pay—teacher pay compared with the pay of other career opportunities for potential and current teachers—has been eroding for over a half a century." Average weekly wages of teachers, after adjusting for inflation, actually decreased in the decade ending in 2021.[22]

At the federal government, political battles over the pay of federal employees have raged for years, but the Federal Salary Council, charged with assessing compensation for federal employees, found a gap of 24 percent in 2022, compared with the private sector.[23]

Perhaps even more important, the salary gap varies by the level of education—and, therefore, with the level of professionalization of the employee's position. The nonpartisan Congressional Budget Office found that workers with a high school education enjoyed a significant advantage—34 percent—over the private sector. Federal workers with a professional degree or a doctorate, on the other hand, earned 24 percent less than similar workers in the private sector.[24] The gap is dramatic, and the underlying data suggest an important conclusion: as government moves into the information age, employees with the skills needed to compete effectively are increasingly falling behind their private-sector colleagues—and government is increasingly struggling to hire, promote, and retain the workers it needs.

Should Government Hire the Most Talented People?

Beyond the numbers, however, there is a long-standing debate about whether government should even try to compete with the private sector for talent. Terry Culler, a Reagan administration political appointee, concluded that "the federal government is able to hire the caliber of people it needs at current wage levels and could do so at even lower pay scales. It should be content to hire competent people, not the best and most talented people." The federal government, he wrote, does not "need laboratories full of Nobel laureates, legal offices full of the top graduates of the best schools, administrative offices staffed with MBAs from Wharton, or policy shops full of the brightest whatevers." In fact, Culler stated, "the brightest and most talented people should work in the private sector."[25]

In 2012, however, a U.S. Department of Commerce scientist, David Wineland, *did* win the Nobel Prize in physics, for his work in quantum mechanics. Wineland had worked at the department's National Institute of Standards and Technology for thirty-seven years and made breakthroughs that established the basis for super-fast computers in the future. When the federal government shut down in 2013 because of a budget battle between President Obama and the Republican Congress, three Nobel laureates found themselves furloughed, without their regular paycheck.[26] In the midst of his 2008 presidential campaign, Barack Obama told a Columbia University audience that his goal was to "transform Washington" and "make government cool again."[27] But the ongoing attacks on government have damaged the morale of public employees and made that bold goal hard to achieve.

EMPLOYEE RIGHTS AND OBLIGATIONS

Public employees have long organized to assert their rights in the workplace. After all, the civil service system and workers' unions emerged at roughly the same time, at the end of the nineteenth century. However, there has been a major effort to weaken public employee unions in recent years, in part to reduce the costs of government and in part to change the political balance of power, since most unions have tended to lean toward the Democrats.

Unionization and Collective Bargaining

Across all levels of government, unions represent five times the share of the workforce than in the private sector: 33.9 percent in government, 6.1 percent in the private sector. Union representation increases as a share of the government workforce when moving from the federal government (29 percent) to state governments (33.1 percent), and from there to local governments (43.9 percent).[28] The public perception of a union member is probably a lunchbox-carrying blue-collar worker. In fact, the typical union member today is a government employee, often in a white-collar job.

The issues posed by **unionization** of public employees run very deep. For over fifty years, federal statutes have ensured that private-sector employees can organize, join unions, and bargain collectively through their unions about pay, fringe benefits, promotion, hours of work, and working conditions. **Collective bargaining**, however, is most effective if unions can back their bargaining position up with the power to strike—and most government union members are prohibited from striking. There are a few exceptions—in Philadelphia, transit workers and the police force that guards the system have periodically gone on strike to enhance their bargaining position. In 2018 and 2019, a wave of teachers' strikes swept the nation to make the case for higher pay. Three-fifths of the states, however, prohibit teachers' strikes—but all allow work actions (like abbreviated class days) to make their points. At the federal level in 1981, eleven thousand air traffic controllers went on strike, in violation of the law but to make their point for better pay. President Reagan fired them all, but it took some time for the Federal Aviation Administration to recruit and train a new staff.

In many state and local governments, however, the civil service systems have fixed salary scales, so bargaining often focuses on fringe benefits (like health care and pensions) and annual salary increases.

Given the statutory restrictions on job actions, what do agencies and unions bargain about? So far, it has been mostly about the assignment and scheduling of work (overtime, workweek definition, temporary assignments, shift hours, work breaks, meal periods), grievances and other procedures, safety, employee counseling, technological displacement, and the color of wall paint. Compared with the private sector and state and local governments, the federal bargaining table is a meager one: many highly significant issues relating to pay, job security, promotions, and fringe benefits that are accepted as negotiable in the private sector are precluded from bargaining at the federal level. On many issues, federal statutes accord unions the right to be consulted—but consultation is not bargaining.

But there is a constant flow of new issues where managers and workers need to reach agreement. Many governments require drug tests for employees, especially in sensitive positions. On the other hand, more states have passed legislation legalizing the recreational use of marijuana. If employees legally buy marijuana brownies in their home state but then fail a drug test, does the government have a cause for disciplinary action? What about an employee who goes on vacation in a state where marijuana is legal, enjoys it while traveling, and then returns home, only to fail a drug test? These are very different questions of labor-management relations than the ones that sparked the union movement during the Progressive Era, but they underline the fact that the need for finding a strategy for resolving issues between workers and managers is large and continuing.

The debate over Schedule F and making it easier to fire public employees has spilled over into the debate over the role of public employee unions. In a book entitled *NOT Accountable,* Philip K. Howard contends that public employee unions have hijacked the direction of government agencies. In fact, he writes, public employee unions are unconstitutional because they interfere with the president's Title II powers in the Constitution to execute the law.[29] That position is a distinct minority, but it fits within the larger effort by conservatives to reduce the power of government bureaucrats and eliminate public employee unions.

Political Activity

One of the most difficult issues for public employees is the political activity in which they can engage. All public employees, of course, are citizens, and all citizens have basic rights, including freedom of expression. However, all citizens have the presumption that, when they encounter government, they will be treated equally, regardless of their own political views. Should a police officer be able to wear a "Make America Great Again" hat while pulling over a driver for a suspected traffic violation? If the driver has an old "I'm with Hillary" or "Joe Biden for President" bumper stick on the car, would the driver be worried about getting fair treatment? What if a government employee works in a cubicle farm, deep inside a government building? If the employee never bumps into a citizen during her or his job, is a political display permissible? Finally, what about an employee's off-work hours? Should an employee be prohibited from engaging in political displays or activity—or, perhaps, even running in a political campaign against the employee's current boss?

These are important and sometimes complicated questions. To address these issues at the federal level, Congress in 1939 adopted "An Act to Prevent Pernicious Political Activities," usually called the **Hatch Act** after its sponsor, Senator Carl Hatch of New Mexico. Table 9.3 lays out the range of activities in which federal employees can engage—and those in which they cannot. The basic policy is this: they cannot engage in political behavior while on the job, so they cannot, for example, circulate petitions or display political banners. In their off-work hours, however, they can express opinions, contribute money to political campaigns, sign up voters (including for a particular political party), and even run for office. They cannot, however, do anything in their official capacity that would suggest any political favoritism in the way they do their jobs. That means they cannot wear a "Make America Great Again" hat while working—although they are free to put the hat on as soon as they get in the car or mass transit to go home. (However, some federal employees, including those working for the CIA, the FBI, and the Secret Service, have greater limits on their political activity.) Similar provisions apply to most state and local government employees (see Table 9.4).

TABLE 9.3 ■ Hatch Act Rights and Restrictions for Federal Government Employees

Federal and D.C. Employees *May*	Federal and D.C. Employees *May Not*
● be candidates for public office in nonpartisan elections ● register and vote as they choose ● assist in voter registration drives ● express opinions about candidates and issues ● contribute money to political organizations ● attend political fundraising functions ● attend and be active at political rallies and meetings ● join and be active members of political parties or clubs ● sign nominating petitions ● campaign for or against referendum questions, constitutional amendments, or municipal ordinances ● campaign for or against candidates in partisan elections ● make campaign speeches for candidates in partisan elections ● distribute campaign literature in partisan elections ● hold office in political clubs or parties	● use official authority or influence to interfere with an election ● solicit or discourage political activity by anyone with business before their agency ● solicit or receive political contributions (may be done in certain limited situations by federal labor or other employee organizations) ● be candidates for public office in partisan elections ● engage in political activity while ○ on duty ○ in a government office ○ wearing an official uniform ○ using a government vehicle ● wear partisan political buttons on duty

Source: U.S. Office of Special Counsel, "Hatch Act," https://osc.gov/pages/hatchact.aspx.

TABLE 9.4 ■ Hatch Act Rights and Restrictions for State and Local Government Employees

State and Local Employees *May*	Covered State and Local Employees *May Not*
● run for public office in nonpartisan elections ● campaign for and hold office in political clubs and organizations ● actively campaign for candidates for public office in partisan and nonpartisan elections ● contribute money to political organizations and attend political fundraising functions	● be candidates for public office in partisan elections ● use official authority or influence to interfere with or affect the results of an election or nomination ● directly or indirectly coerce contributions from subordinates in support of a political party or candidate

Source: U.S. Office of Special Counsel, "Hatch Act," https://osc.gov/pages/hatchact.aspx.

The Hatch Act provisions often stir up substantial political conflict. In 2019, for example, the federal Office of Special Counsel recommended that President Trump fire White House counselor Kellyanne Conway for "making statements directed at the success of your reelection campaign or at the failure of candidates for the Democratic Party's nomination for President. In doing so, she has used her official authority to advocate for or against declared candidates for political office." In fact, the letter to the president said, she was "a repeat offender."[30] Conway wasn't alone. In 2018, investigators cited six members of the White House staff for using official Twitter accounts to tweet out partisan information, including "Make America Great Again" and #MAGA.[31]

When asked about the Office of Special Counsel's recommendation, Trump shot back, "I'm not gonna fire her." In fact, he added, "It looks to me like they're trying to take away her right of free speech." The Hatch Act takes a different perspective. It holds that individuals in fact do have a right to free speech—except when they are on the job, acting in their official capacity. In that case, the act has long held that the public's expectation about fair, open, nonpartisan treatment trumps the right of individual members of the government to exercise their right to free speech, whenever and however they choose. The Office of Special Counsel has drawn a bright line on the issue, for individuals from both political parties. For example, it investigated an individual who worked for Immigration and Customs Enforcement. During the 2016 presidential campaign, the worker repeatedly urged coworkers to support Hillary Clinton. The Office arranged a deal with the employee to resign from federal service and be banned from federal service for five years. In a 2014 case, the Office reached an agreement with an attorney for the Federal Election Commission, who participated in a livestream event from his office and criticized the Republican Party and its candidates. The attorney resigned. A Commerce Department employee received a fifty-day suspension, without pay, for fund-raising for Republican candidates in Maryland while working in his office. And in 2018, the Office sent six White House officials a reprimand for including "make American great again" in their official tweets.

Public officials do have the right to freedom of speech, but public employment is a public trust. Employees cannot, in general, do anything in the course of their official duties that would suggest they were performing their roles with a political bent.

Revolving-Door Restrictions

Most governments also restrict activities of employees after they leave government service, for two reasons. First, the government seeks to prevent government officials from using their positions to set themselves up in lucrative jobs after their government employment. Many higher-level officials have the power to award contracts, and it would be tempting to use that power to steer contracts to a company and then jump to that company in a high-paying position to manage the work. Second, the restrictions seek to prevent government officials from joining a company and then using their vast network of government contracts to pull business to their new employer.

Rules to prevent such problems vary with the level of government and typically are very complex.[32] In general, however, former officials are permanently barred from joining a company and dealing with their former employer on issues for which they had direct responsibility. Most

levels of governments impose "cooling-off periods," ranging from six months to several years, during which individuals may not contact their former employer on government issues. Despite the rules, the Government Accountability Office (GAO) found that many former military officials had, in fact, worked on contracts related to their former work and some had even worked on the same contracts for which they had responsibility at the Pentagon.[33]

The revolving-door regulations are very complicated. Former employees often have a hard time deciphering the rules without hiring an attorney for guidance. There are many stories of individuals who turn down government jobs because of the restrictions they face on leaving public service. No one, of course, wants to allow government employees to trade on their service to line their own pockets. On the other hand, everyone wants the government to hire the most capable employees for the work to be done. The enduring challenge is determining how best to find the balance.

CONCLUSION

Finding, hiring, promoting, and keeping high-quality workers is one of the most important issues in public administration. Indeed, perhaps the biggest lesson from the private sector for government management is that people are the most important resource, and that government's work depends on the quality of the government's employees. Because government employees exercise great power on behalf of the public, there is a strong public interest in ensuring that neither favoritism nor employees' own political values creep into administration. Discovering the best way to make that happen has long been the driving force of the government's civil service system.

The civil service *system* is actually a series of interlocking *subsystems*: one for position classification, one for hiring, and one for compensation. These subsystems are complex, largely because of the competing values the government seeks to balance. The rules that have grown up around the subsystems also help explain why so many of government's other problems regularly recur—from an impersonal style to a preoccupation with red tape. Even the most important goals, such as equity and merit, reinforce these tendencies. Indeed, as Patricia W. Ingraham pointed out, the system's "problems highlight the difficulties created by the long-term emphasis on *administering* procedures, rather than *managing* people and programs."[34]

The civil service system is complex because it brings together the basic challenges of the administrative process. It's about *effectiveness*, because the quality of government's people shapes the quality of its work. It's about *politics*, because it must balance the competing demands for employees' freedom and the need to protect the system from political favoritism. And it's about *accountability*, because the public rightly expects that they will get fair and impartial service from those entrusted with government's work. Balancing these values, however, has long been very difficult, because as a GAO study put it, "Federal employees have often been viewed as costs to be cut rather than as assets to be valued."[35]

If there's anything about which virtually everyone agrees, it's this: the government's civil service system is broken. Conservatives believe it creates inflexibility and inefficiency. Liberals believe it undercuts government's responsiveness. Nearly everyone agrees that civil service rules

hinder the performance of public programs. Looking ahead, everyone knows that with large numbers of baby boomers retiring from government, the need to improve the civil service system will only increase if government is to work well.

At the core of these issues is the basic question: how best to identify the skills that the government most needs and how to build them into government? We turn to those puzzles in the next chapter.

CASE 9.1: WHO IS MORE EFFICIENT—GOVERNMENT WORKERS OR PRIVATE CONTRACTORS?

Everyone knows that the private sector is more efficient than the public sector. A major case for privatizing public work, its proponents say, is that the private sector can do it better, cheaper, and smarter.

But is "everyone" right? Not if they look at the experience of Chesapeake, Virginia. In 1995, the city council told the public works director to get bids from private companies for collecting trash in the city's "Western Branch," the area collected on Mondays. The public works department responded with a "managed competition" model. "The bottom line cost to the citizens was the most important consideration," explained Thomas Westbrook, the department's assistant director.[1]

The city hired a private consultant to manage the competition process. Four bids for the job were received. The winner? As Bill Davis, the city's purchasing director, announced, "the proposal submitted by the city's public works department, solid waste division, was the most responsive and responsible offer and represents the least expensive and most advantageous situation for the city."[2]

In short, the public sector outcompeted the private sector. How did this happen? Facing the heat of competition, the city's solid waste division found a way to change its waste-collection process: instead of using two different trucks, staffed by two different crews, to collect overflow garbage and yard waste, it could use a single truck with a single crew and with its capacity split between the two loads. Had it not been for the competition, the department's officials might not have devised this method, which contributed to a 39 percent savings over the previous arrangement. Facing the potential loss of their jobs, however, city workers came up with an innovative approach.

"We felt that we were as cheap as private industry and we wanted to be able to bid on that service as well," Westbrook explained.[3] His employees did so—and Westbrook was right.

In this effective bidding process, Chesapeake followed a model established by Phoenix, Arizona, which has been contracting out public services since 1979. In the first twenty years of the process, Phoenix city officials estimate that they saved more than $30 million. In six garbage-collection auctions, the city department won three of the competitions and it placed second in the others. Between 1979 and 1998, the cost of collecting a ton of garbage in Phoenix fell from $67.88 to $41.96, a 38 percent decrease. Moreover, analysts have determined that Phoenix's costs are less than those of similar cities.[4]

Phoenix established basic ground rules for all the competitors:

1. *Reserve rule.* Wanting to ensure that the city department remained viable in case service problems arose with the private contractors, Phoenix would not allow more than half of its households to be served by private contractors.

2. *Previous experience.* Bidders had to present evidence of garbage-collection work in similarly sized areas.
3. *Bonding.* Private bidders had to post a bond to guarantee that they would complete the work.
4. *Insurance.* Private contractors had to carry liability insurance in case their vehicles and workers caused property damage or injury.
5. *Medical benefits.* The city required private contractors to provide medical insurance that matched what city workers received.
6. *Displaced city workers.* Private contractors were required to offer employment to any city workers who lost their jobs as a result of the competition.
7. *Fleet restrictions.* Competitors could not use their vehicles for other purposes, and garbage pickup was not allowed on Wednesdays and Saturdays.

When some private competitors balked at these restrictions, city workers countered that private contractors should have to play by the same rules that the city observed. Accepting the ground rules would make it harder for those private companies to lowball bids, especially by not funding basic benefits to employees and by using equipment for other purposes. Indeed, public employees fought against any competition strategy that would allow private companies to win by providing their employees with fewer fringe benefits, in part because city employees believed that would be unfair and in part because they feared that it might increase pressure to lower their own benefits. Everyone agreed that competition helped lower costs, but determining how best to create a level playing field proved a deceptively difficult problem.

Analysts concluded that these cases demonstrate that the problem with governmental efficiency isn't government itself—or the people who work for it. Rather, it is the set of restrictions that limit government's flexibility and the lack of incentives to improve their productivity. Create a strong incentive—such as the potential loss of jobs—and city workers can produce remarkable efficiencies. Level the playing field, and they can even win out over the private sector. Private competitors countered that they could provide even cheaper service at lower cost if the city were to change its ground rules.

Beyond the procedural disputes, however, there's a surprising nugget of truth to be found in this mixed experience. What "everyone" knows—that the private sector is more efficient than the public sector—isn't true. Armed with the right incentives, government can outcompete the private sector.

Questions to Consider

1. What factors account for the cost savings in Chesapeake, Virginia, and Phoenix, Arizona?
2. Are there broader lessons that come from their experiences?
3. Should such competitions be extended to more cities? To more services? To more levels of government?
4. Are there public functions that should *not* be contracted out? Where would you draw the line?
5. Consider *who* does the public's work. How much does it matter if those providing public services are not public employees? Is there a value in having public employees provide public services? If so, how can we keep their work accountable, efficient, and effective?

Notes

1. Rob Shapard, "Collection: City's Managed Competition Model Tops Private Sector," *Waste Age* (June 1, 1997), http://www.waste360.com/mag/waste_collection_citys_managed.

2. Ibid.

3. Ibid.

4. Robert Franciosi, *Garbage In, Garbage Out: An Examination of Private/Public Competition by the City of Phoenix*, Arizona Issue Analysis 148 (Phoenix: Goldwater Institute, 1998).

CASE 9.2: WHAT SHOULD WE DO ABOUT THE CIVIL SERVICE?

When then-President Trump signed an executive order in October 2020 to make it easier to fire federal employees, it set off a firestorm over fears that Trump was attempting to overturn 140 years of federal policy and politicize the civil service. So when President Biden in January rescinded that executive order with one of his own that restored the status quo, many breathed a sigh of relief.

Some merit system proponents concluded they had dodged a bullet aimed at the heart of a system intended to protect federal employees from political interference. Some conservatives were disappointed that they had lost their chance to make it easier to fire poor performers. But in the aftermath of a contentious election and a global pandemic, many people simply considered the issue a trivial game of inside baseball.

They're all wrong.

We are in the midst of a critical debate over the future of the federal workforce—and with it, about the future role of the federal government. It is raising questions more fundamental than at any time since the passage of the Pendleton Act, which established the civil service system in 1883. The questions speak to the role of administrators in our constitutional system of governance and, indeed, the Constitution itself. The issues are gaining steam on the right, all but guaranteeing that the Trump executive order—or something like it—will continue to be at the center of the debate over workforce policy in the public sector, not only at the federal level but in the states as well. The debate, however, is not being joined from the left, except to thwart efforts to cut the number of federal employees and make it easier to fire employees. Both sides are missing the most important issue: how to equip the federal government to deliver services to the public, in the best way possible.

The stakes here are enormous. Let's unpack the issues.

The Problems Are Real

The central argument of the reformers from the right is that public employees in general—and public employee unions in particular—are unaccountable to elected officials. The protections long afforded them, therefore, should be abolished or, at least, scaled back.

Best-selling author Philip K. Howard has for some time contended that elected officials do not have sufficient control over the government workforce. The reasons, he argued in

a February op-ed in *USA Today*, are that public employees are represented by unions and that the unions promote featherbedding on the job. Howard writes that "public employee unions are politically impregnable, even though, "Public union power is largely an accident of history." In Article IV, Section 4, he points out the guarantee of "a Republican Form of Government." The rising power of public employee unions, reinforced by the difficulty of removing poor performers, means that "elected officials lack the ability to run government." That, he concludes, violates the guarantee and leads to abuses of power, which "cry out for constitutional redress."[36]

There are, in fact, interlocking arguments that have developed over time: that government workers enjoy political and procedural protections that were not envisioned in the Constitution; that the Constitution vests power in elected officials—power public employees can easily frustrate; that this creates both political and operational problems for government; and that as a result, the government is encountering existential problems that require fundamental reforms to weaken the role of unions and to make it easier for elected officials to replace government workers, especially poor performers.

Howard has laid out the broad theory, and former Heritage Foundation analyst and Trump administration official James Sherk has developed the details. In 2017, he wrote a memo calling on the federal government to stop collecting union dues and to "explore the 'Constitution Option' for firing federal employees." He contended, "There are legal arguments that Article II executive power gives the president inherent authority to dismiss any federal employee." That, he argued, "implies civil service legislation and union contracts impeding that authority are unconstitutional." What the government needed was "an originalist interpretation of the constitution" that created the legal foundation for the president to issue an executive order to dismiss any federal official without cause.[37]

Three years later, this memo provided the foundation for the Trump executive order that created a new Schedule F in the federal personnel system, which weakened the job protections provided federal employees and made it possible to fire them at will. It was the culmination of a long-term strategy, but time ran out for executing it. Since leaving the White House, however, Sherk has written a detailed policy paper to continue the campaign and, he warns, "Biden is refilling the swamp with unelected bureaucrats."[38]

The central argument of the reformers from the right is that public employees in general—and public employee unions in particular—are unaccountable to elected officials.

The Schedule F debate, therefore, is far from over. Its supporters are loading up for another run and, in the meantime, are pressing their case at the state level. It's worth noting, moreover, that not only did Schedule F aim at making it easier to fire feds without cause, including for political reasons. It also would have made it easier to hire feds based on their political affiliation. This is shaping up as one of the most far-reaching battles over the workings of government in a very long time.

It would be simplistic to dismiss the arguments made by Howard and Sherk as a contrived case from the far right. They have identified very real and very serious problems that, they believe, call for dismantling civil service protections. (I profoundly disagree with their solutions. They are Madisonians, perhaps Jacksonians, while I'm fundamentally a Hamiltonian.) Too often, the federal government is clumsy instead of agile in responding to big problems; elected officials of both parties are often frustrated with the problem of convincing the bureaucracy to pursue the policies they thought they had been elected to fulfill; and poor performers are indeed difficult to fire. These arguments combine to frame a genuine constitutional crisis about the ability of voters to shape government through the decisions of the people they elect.

That crisis isn't going away. It's likely to get even worse. And that will only throw more gasoline on this fire. Therefore, we need to carefully consider the important questions that Howard and Sherk raise.

So let's dig deeper into the four issues at play: the constitutional debate; the question of firing feds; the problem of accountability; and the challenge of agile government.

The Constitution

Sherk and Howard argue that neither the Constitution, adopted in 1787, nor the Pendleton Act, passed in 1883, ever intended that there would be a federal bureaucracy with such extensive and insular power.

They build their argument on Article II of the Constitution. It is their contention that, since the article holds that "the executive power shall be vested in a President" and since, as James Madison wrote, "If any power whatsoever is in its nature executive, it is the power of appointing, overseeing, and controlling those who execute the laws." Therefore, they argue, the president has the authority to remove federal employees from their positions—and to do so at will.

There's a profound paradox here, of course, in arguing the original intent of the founders by pointing to a part of the Constitution that, in fact, doesn't say what they say it says. That portion of the Constitution is short and vague, and the early debates of the founders spent very little time on anything dealing with the executive establishment. They were concerned principally with creating the chief executive that they knew, from the Articles of Confederation days, that the country needed—and ensuring that the power of the president could be checked by the other branches. In *Federalist* 70, Alexander Hamilton famously wrote about the importance of "energy in the Executive." In exploring the role of the president he talks about the president's connection with citizens, the power to appoint ambassadors, and his power with respect to the legislature. There's nothing about the ability to fire federal employees.

An originalist reading of the Constitution simply does not make the case about the power of a president to remove federal employees, with or without cause. This just wasn't something the Founding Fathers spent time on. In fact, if we are to draw anything from the founders' debate, it's worth considering what Hamilton—the founder who spent the most time thinking about the new chief executive—had to say about what the executive establishment ought to look like. The answer: very little. There simply isn't a case in the founders' debate for arguing that they intended to make it possible for the president to remove federal bureaucrats. They didn't explore how to remove those they didn't spend time thinking about.

Firing Feds

At the center of the case for a radical change in the civil service system is the argument that, over time, it has evolved from a system that hires the best and brightest to one that protects the lame and the lazy. Sherk contends that this was never what the Pendleton Act intended, and that the gradual accretion of protections reinforces poor performance and contributes to the erosion of democratic accountability.

The federal civil service system and the protections provided to employees have both evolved considerably since passage of the Pendleton Act. The original act covered just 10 percent of the federal workforce; the merit system now covers 90 percent of all feds. The original act was just over 2,600 words long. Title V of the U.S. Code, which contains the regulations to administer the civil service system, is more than 1,000 pages. It's certainly

debatable whether that's effective or desirable—the current system has few defenders, the current regulations are often impossibly dense, and any agency with the chance to escape it has done so.

Title V, in fact, now only covers about half of all federal employees, with other titles expanding to accommodate employees in Defense, Homeland Security, Veterans Affairs, and State. There's a very important debate to be had about the need to figure out which policies ought to apply to all feds and the agencies they work for, and what flexibilities ought to be allowed to agency managers. The proliferation of legal authorities in the current merit system has made a mess of government's performance. But it's a very long road from the original passage of the Pendleton Act to where we stand today. The original language of the Pendleton Act, which is just a brief outline of a merit system that was designed for a very different time, provides few useful answers for the federal workforce today.

At the center of the case for a radical change in the civil service system is the argument that, over time, it has evolved from a system that hires the best and brightest to one that protects the lame and the lazy.

Sherk and Howard make a good case that we do a poor job of managing the performance of federal employees. But, in fact, it's very easy to fire feds during their initial probationary period, for any reason and without due process, as long as the decision isn't a direct violation of law (like discrimination by race or partisan affiliation). After that, employees can be—and are—fired for poor performance or misconduct, although they have long-established due process protections established by the U.S. Supreme Court.

The argument for firing feds rests on an implicit assumption about the private sector: that private managers can rid themselves of employees much easier and do so far more often. In fact, private-sector workers also enjoy many legal protections, which limit employers' freedom to fire people.

Comparing the rate of firing for cause between government and the private sector is hard to do. In the private sector, there simply is no good database to establish how many workers are fired for cause, a question that the Office of Personnel Management tracks very closely for the federal government. The Bureau of Labor Statistics measures separations from private employment, but it does not distinguish between firings for cause versus other forms of dismissal, such as shifting economic circumstances. In addition, of course, the separation rate for private employers varies enormously, from finance and insurance companies (where turnover is relatively low) to arts, entertainment, and recreation (where it's very high). An analysis of available data, which I recently posted on GovExec.com, shows the rate of layoffs and discharges in industries similar to government wasn't markedly different than rates of firing for cause in the federal government.

Yes, it's certainly hard to fire feds. But there isn't evidence that similar private-sector industries fire employees for cause at a significantly higher rate than in the federal government. There are, to be sure, anecdotes about misbehavior of federal employees. But even a casual look at the news headlines turns up outrageous behavior by private-sector workers. Beyond these anecdotes, there just isn't good evidence that the situation is markedly worse in the federal government. We should not blow up the whole system on the basis of individual cases.

Accountability

The case for making it easier to fire feds becomes more pointed on the question of whether federal officials are sufficiently accountable to their political executives and, ultimately, to the president. Sherk writes, "Removal restrictions can also undermine the government's

democratic accountability," because democratic accountability "exists only if career staff are meaningfully accountable to presidential appointees. In practice, removal restrictions significantly weaken this accountability."[39] The argument has merit. There's evidence that, during the Trump administration, members of the career civil service slowed, obstructed, or sometimes ignored the policies laid out by superiors to undermine the Trump agenda.

Trump officials were understandably enraged by what they viewed as bureaucratic sabotage. For their part, federal employees viewed their quiet resistance as an important barrier to policies that conflicted with science, long-standing practice, and sometimes the law. This conflict set the stage for the arguments about the "deep state." More fundamentally, it framed the central battle: how much authority political appointees should have in pursuing the president's agenda, and what responsibility career officials ought to have in pushing back on issues they believe are wrong-headed or illegal.

There's nothing new about this tension, which has plagued democratic governments since the Age of Enlightenment in the eighteenth century. Scholars have found considerable evidence that political meddling in the work of government would "reduce the effectiveness of government and increase corruption," as noted personnel expert James L. Perry puts it.[40] That was the driving force behind the passage of the Pendleton Act, and it's the consensus of most scholars in the field today. But that scarcely proved convincing to Trump administration officials frustrated with their inability to drive a policy agenda through a federal bureaucracy they viewed as obstructionist, at best.

There are laws that prohibit federal employees from blocking the legal decisions of their political superiors, and there are legal procedures for political appointees to deal with those who disobey the instructions they get. "'Resistance' based on political differences is unprofessional and improper, regardless of which side one favors," one former high-level federal career official told me. "We already have a law that provides exactly that," the official said, "and we didn't need a new executive order."[41]

There's a huge issue here: how best to ensure that the federal bureaucracy acts professionally on the political choices made by voters. This is an issue that needs a careful and fundamental debate, and that debate is certain to challenge the views of those on both the right and the left. What that debate does not need is an executive order that hides the big questions in the fog of an ideological war. This is an ageless question that has become unquestionably more pointed today. It deserves an out-in-the-open debate.

Responsive Government

What ought to drive that debate is not how to use the public service to fight partisan right v. left partisan or ideological battles. The real question, too often obscured by the angry rhetoric, is how best to deliver quality, responsive government services to Americans. The debate over accountability and firing authority has diverted attention away from what matters most: government's mission. We need to focus far more on the what—the outcomes we achieve—than the what and the how—the tools we use to achieve them. Too often, these questions have become ideological battles and the battles have focused on process to the exclusion of mission.

Too often, the public service has become the front lines of a proxy war over the size, shape, goals, and performance of government itself. If we disagree about those mega-issues, we ought to contest them directly, instead of fighting them out over the desks of those who go to work trying to do the public's business. But fight the proxy war we do: how many federal employees we should have; whether federal employees should have union representation;

how to make it easier to fire feds; how to undermine government programs by attacking those hired to administer them.

While I profoundly disagree with the prescription Sherk and Howard promote, they have nonetheless laid out important problems in the civil service largely ignored by their opponents on the left, whose primary response has been to defend the status quo by protecting the representation of unions and the number of federal jobs. As a result, right and left are waging an epic battle—over precisely the wrong questions.

Sherk and Howard have laid out important problems in the civil service largely ignored by their opponents on the left, whose primary response has been to defend the status quo.

The National Academy of Public Administration, in its 2017, 2018, and 2021 reports, laid out a road forward: creating an agile, flexible system to accomplish the federal government's goals in ways that are consistent with the country's long tradition of merit in government. We don't need a one-size-fits-all system. But we do need a system that balances the need for a professional public service with the imperative for responsive democratic government. Those are questions not served by the case for making it easier to fire feds or the campaign to defend federal positions. What matters most is creating a system that improves government's ability to do the public's work, in ways that are responsive to the public's will but which are protected from political interference. Before the creation of the civil service system, the federal government was plagued by incompetence, corruption, and political favoritism, the violent culmination of which resulted in the assassination of President James Garfield.

A Way Forward

We need a way forward that builds a government—and a merit system—that fits the needs of the twenty-first century. That surely requires careful professional analysis and a searching political debate. But, if we're going to have a debate, we need to focus on how government can deliver on the needs of Americans, not how to transform its public service into a football kicked between political rivals.

Moreover, we need to find the right way to address the future of the public service. There are two important points here. First, what we should not do: The Sherk and Howard approach treats the problems of the public service, at their core, as procedural problems. The problems of the public service, however, flow fundamentally from substantive challenges, about how to get the job done. It would be a truly grave error to substitute the former for the latter.

Second, what we should do: The fundamental problem of the public service is its growing difficulty of producing the results citizens—and the policymakers they elect—expect. We need to focus on results, not processes.

Here's where we need to start.

Mission matters most. The fundamental purpose of the public service is to do the public's business. Period. It's not to provide a reservoir of jobs, strengthen unions, attack public employees, refight constitutional battles, or create a battleground for ideological conflict. The essential first step is to ask how we can get the right people, with the right skills, in the right places, at the right time, to serve the public.

Merit is key. The basic principle of hiring people for what they know, not who they know, has been the foundation of the public service since the very start. So, of course, is the principle of separating people who don't effectively serve the public's mission. The essential second step is to reinforce the principle of merit but refit it for the twenty-first century,

with new systems of hiring, promoting, motivating public employees—and, yes, firing them when they fail to serve the mission. But the nonpartisan foundation of expertise lies at the core. There isn't a partisan way of delivering Social Security checks, managing air traffic, or forecasting the path of hurricanes. Citizens would be outraged if they ever imagined that the service they got depended on their partisan identification.

Accountability lies at the core. Like every other element on American government, we need effective accountability for public employees. But the accountability we need is to government's mission, as defined in law, not to political pressure, as shaped in the back room. The relationship between career employees, political appointees, and the law is always a complex one. But accountability is not defined by the capacity of political appointees to fire subordinates. It is defined, rather, by their ability to accomplish the government's mission. We need a far more robust system of performance management, which couples government's outcomes with how employees contribute to it. We've made great progress on this essential third step by engaging employees to provide unmatched customer service, even if the customer of an employee is inside government itself.

Human capital ought to drive the pursuit of performance. The first three steps point to the fourth: viewing government employees as the government's most important assets and creating a system that finds and nourishes those most important to achieving its mission. This requires a radical rethinking of our human resources system, shifting HR from an add-on that officials from both political parties (and the employees themselves) often find troublesome to a core function of government, linked to its mission. It should not be one more thing to do but, rather, the way we think about doing everything. That will be even more important as government moves ever deeper into the networked information age, where agile bridge builders will be essential to getting the job done.

We've got a lot of work ahead of us, and we have a reservoir of mistrust we need to drain. There were surely resisters in the bureaucracy during the Trump years. Just as surely, there was poor leadership that left the career bureaucracy rudderless. This, of course, is not purely a problem of Trumpism. Democratic administrations have often had similar problems.

When it comes to federal employees, the picture is fuzzy about how much partisan bias there might be. In the 2020 election cycle, about two-thirds of the donations made by federal employees went to Democrats, although Republicans fared better in the State Department (with 46 percent of donations from employees there going to Republican candidates) and the Postal Service (with 38 percent of the money going to Republicans). But there's also evidence that the number of Republicans and Democrats in the federal workforce is roughly balanced,[42] as it is in the country as a whole, and a Pew Research Center analysis found that Democratic and Republican members of the House represent about the same number of federal employees around the country.[43]

There might well be partisan leanings in the workforce, but the frustrations that surfaced in the Schedule F proposals flow more from the pathologies of the system than the biases of federal employees. And, in any event, every public servant swears an oath to serve the country, not their partisan beliefs.

It's time to shift the debate about the public service from partisanship to pragmatism: how best to accomplish the work of the people, with a workforce expert enough to do the job. This might well be the most important debate we can have about the performance of American government. Indeed, the trust of citizens in their government hinges on this far more than we know.

Questions to Consider

1. Should we take the advice of the critics of the civil service system and remove all the protections from the system?
2. There is widespread agreement that the current civil service system is broken. What enduring values do you think that the system ought to promote?
3. What recommendations would you make to fix the system?

This case originally appeared in *GovExec.com* on June 21, 2021.

CASE 9.3: WHAT DO WE OWE VETS?

The federal civil service has long required that returning veterans be given a preference in hiring. The case is simple. After having disrupted their lives to serve their country—after stepping out of the civilian job market, getting very different training, investing much personal time and energy in the military, and facing a sometimes-difficult transition back to civilian life—the argument was that veterans deserved a running start at a good government job.

In the 1990s and 2000s, however, several threads came together that created big challenges for veterans' preference. The wars in Iraq and Afghanistan ranked among the longest-running military operations in American history, with millions of soldiers dispatched to the field. Many of them served several tours, and the country felt it owed a special debt to veterans for their service. At the same time, budget crises mounted and hiring of new federal employees tightened. When the economy weakened after the Great Recession, the Obama administration issued an executive order committing federal agencies to hire more vets into government, so that returning vets wouldn't find themselves unemployed.

That combination boosted the hiring of vets in the federal workforce. Vets accounted for almost half—47.4 percent—of new hires into full-time permanent jobs in 2014, a big increase from 39.2 percent in 2010. That boosted the percentage of federal employees who were veterans to 30.8 percent in 2014.[1] For returning vets, that made a huge difference in their ability to find jobs upon leaving the service.

But veterans' preference also created substantial problems for federal policy. Within some agencies, tensions between vets and nonvets grew. Nonvets chafed at the deference to authority that former members of the armed services often showed. One technology specialist complained, "In meetings, you can't question anything." The attitude, he said, is: "You're my boss. You could be a complete lunatic, but I won't question you." Another federal employee said, "They're a little rough with their people skills." Vets, on the other hand, often felt their skills were unappreciated. There was a sense, some feared, that "most people think if you're a vet, you don't have to be qualified" because you can get the job through veterans' preference. The cultural differences could sometimes be deep and profound.[2]

Moreover, vets have tended not to stay in their new jobs as long as nonveterans. In the Small Business Administration, for example, 62 percent of vets stayed at least two years, compared with 88 percent of nonveterans. In the Commerce Department, there were similar numbers, with 68 percent remaining for two years or more. For nonveterans, the number

was 82 percent.[3] Experts weren't sure what explained the gap, but the issue compounded the tensions over veterans' preference: more vets were hired, but fewer of them remained.

Veterans' preference, in addition, was making it harder to manage the big generational transition in the federal government. In 2015, some 13.5 percent of all federal employees were over the age of sixty. Just 7.9 percent were under the age of thirty, a big decline from 11.5 percent in 2009. In the population as a whole, however, the twenty-to-thirty age cohort is 13.9 percent of the American population. As federal human capital expert Jeff Neal argues,

Young people are significantly underrepresented in the federal government workforce. The Congress and OPM need to take steps to address the problem. Simply telling agencies to do better will not make it happen. We need an easier and more effective way of doing college recruiting and hiring, along with more effective ways of hiring young Veterans (who have a far higher than average unemployment rate). It is in the government's interest to not bypass an entire generation of workers.[4]

Some analysts argued a connection: as more veterans took advantage of veterans' preference and as the federal government hired fewer workers, it became harder for younger job-seekers to find federal jobs. That, in turn, made it harder for the federal government to bring in young talent to replace aging baby boomers. Some analysts, in fact, worried this might drive millennials even further away from government work.

Questions to Consider

1. What do you think about the policy of veterans' preference? Is it a fair and important way of providing opportunity to veterans who served their country? Or should government seek to hire new employees solely on the basis of the qualifications of applicants?
2. To what degree should considerations other than merit—the goal of creating a workforce whose composition matches the American people, or that provides affirmative action for groups long neglected in society—influence government's hiring decisions?
3. If you are not a veteran, would veterans' preference make you less likely to apply for a federal job?
4. What could the federal government do to be more successful in recruiting people like you into the federal workforce?

Notes

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2. Lisa Rein, "Obama Push to Hire Veterans into Federal Jobs Spurs Resentment," *Washington Post* (September 14, 2014), https://www.washingtonpost.com/politics/obama-push-to-hire-veterans-into-federal-jobs-spurs-resentment/2014/09/14/c576e592-2edc-11e4-bb9b-997ae96fad33_story.html?tid=a_inl.

3. Lisa Rein, "Record Numbers of Veterans Are Getting Jobs in the Government—But a Lot of Them Quit," *Washington Post* (August 28, 2015), https://www.washingtonpost.com/news/federal-eye/wp/2015/08/28/record-numbers-of-veterans-are-getting-jobs-in-the-government-but-a-lot-of-them-arent-staying/?tid=a_inl.

4. Jeff Neal, "The Ticking Time Bomb in the Federal Workforce," *Federal News Radio* (March 2, 2016), http://federalnewsradio.com/commentary/2016/03/the-ticking-time-bomb-in-the-federal-workforce/.

KEY CONCEPTS

bump
buyouts
civil servants
civil service system
collective bargaining
General Schedule
grade creep
Hatch Act
position classification
reductions in force (RIFs)
rule of three
unionization

FOR FURTHER READING

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SUGGESTED WEBSITES

The U.S. Census Bureau's "Public Employment and Payroll Data," **www.census.gov/govs/apes**, is an excellent source of comparative data on public employees at the federal, state, and local levels. At the federal level, the Office of Personnel Management's "Federal Employment Statistics," especially "The Fact Book," is a useful guide; see **www.opm.gov/feddata**.

Labor practices vary greatly from state to state; some prohibit collective bargaining, while others allow government employees a limited right to strike. The Legal Information Institute at Cornell University compiles state laws, and its website provides a source for exploring state-by-state variations; see **www.law.cornell.edu/wex/table_labor**.

In recent years, more information about working for government, including available positions and (in some cases) applications, has moved online. The federal government's source for job openings is USAJobs, www.usajobs.gov. Many state and local governments have similar systems. Pennsylvania, for example, has an integrated website that lists private- and public-sector jobs (at all levels of government); see **www.pa.gov**.

The National Academy of Public Administration periodically issues reports on the role and function of the civil service; NAPA's studies can be found at **www.napawash.org**.

The Government Accountability Office, at **www.gao.gov**, consistently produces some of the most thorough analysis of human capital issues.

The Partnership for Public Service examines the policy issues in building a high-performing government workforce. Its studies and analyses can be found at **www.ourpublicservice.org**

April Kleinschmit and her husband, Brandon, talk to FEMA representative Kristina Pooler, right, about available FEMA jobs, at a job fair in Lincoln, Nebraska.

Source: Nati Harnik via Getty Images

10 HUMAN CAPITAL

LEARNING OBJECTIVES

- Explore the reasons for the accelerating pace of change in the system for managing people in government
- Understand the meaning and importance of human capital for the performance of government
- Understand the foundation for building the future of human capital
- Chart the steps for managing the human capital challenge
- Understand the steps toward reform of human capital
- Explore why there is pressure to rethink the meaning of the merit system
- Examine the role of leadership in the public service

The COVID-19 pandemic had enormous implications for the people who work for government. After years of fighting over whether employees could—and should—work remotely, millions of government employees worked from home. Even more important, governments discovered that the very nature of work itself was changing fundamentally. The basic strategies for matching the skills of government employees with the jobs to be done—what we call "**human capital**"—changed, and they changed forever.

When the government emerged from the pandemic, it faced a major crisis in hiring new workers for vacant positions. Governments across the country managed to fill just four of ten jobs from July 2021 to August 2022.[1] School districts across the country scrambled to hire teachers, and in many communities school bus routes were altered—or canceled—because of lack of drivers. In communities ranging from Charlottesville, Virginia, to Austin, Texas, neighbors set up "walking school buses," with adults chaperoning kids on sidewalks because there weren't enough school bus drivers. Long lines piled up behind Transportation Security Administration (TSA) checkpoints on occasion as the agency struggled with its workforce needs.

THE ACCELERATING PACE OF CHANGE

Ryan Oakes, a managing director at Deloitte, noted, "I jokingly say that the pace of change over the last 20 years is a leisurely stroll compared to the pace of change that I see in the next 20 years."[2] As Katherine Barrett and Richard Greene, two of the smartest observers of state and local governments, have pointed out, "the evolution of the government workforce has accelerated significantly." Moreover, they argue,

> The roles and responsibilities of many state and local government employees will be vastly different 10 or 20 years from now, as artificial intelligence, remote work, a generational transition and other factors transform the nature of government. For workers,

> that will mean both new opportunities and possibly some uncomfortable disruption. For managers, re-imagining the workplace must begin now, or events will overtake their ability to successfully cope with what's ahead.[3]
>
> In fact, when **artificial intelligence (AI)** websites burst onto the scene in late 2022, most employers scrambled to figure out who they could hire who, in turn, could figure out what AI was likely to bring to their missions.

The skills government needs are rapidly shifting. The World Economic Forum assessed the workforce in 2020, in both the government and the private sectors, in the United States and around the world, and concluded that "by 2025, 44 percent of the skills that employees will need to perform their roles effectively will change."[4] I have long told students that, for half of them, the jobs they will be doing in ten years haven't even been invented yet. Seasoned government leaders have told me that I'm wrong. The share of yet-to-be-invented jobs, they said, is far higher than that.

Machines that once demanded human attention are being taken over by machines replacing humans on the job. In San Marcos, Texas, for example, the pickup of litter has moved from a bag and a stick to a robot. Costs dropped from $8 an acre to $3 an acre. "We've got to think about jobs as being constantly evolving. Instead of eternally static," explained a former Texas city manager, Ron Holifield, who moved on to head Strategic Government Resources. That pace of change is scary for many people who work in government. As Leslie Scott, executive director of the National Association of State Personnel Executives, put it, "We've heard from HR directors that some employees perceive new ways of operating as a threat to their own continued employment, though this doesn't need to be the case."[5]

These frank comments from state and local government experts frame the emerging challenge. Quite apart from the workplace revolution that COVID-19 brought, technology has created new possibilities in how to accomplish government's work. Tight budgets have fueled the need for greater efficiency. These trends have come together to accelerate a workplace revolution.

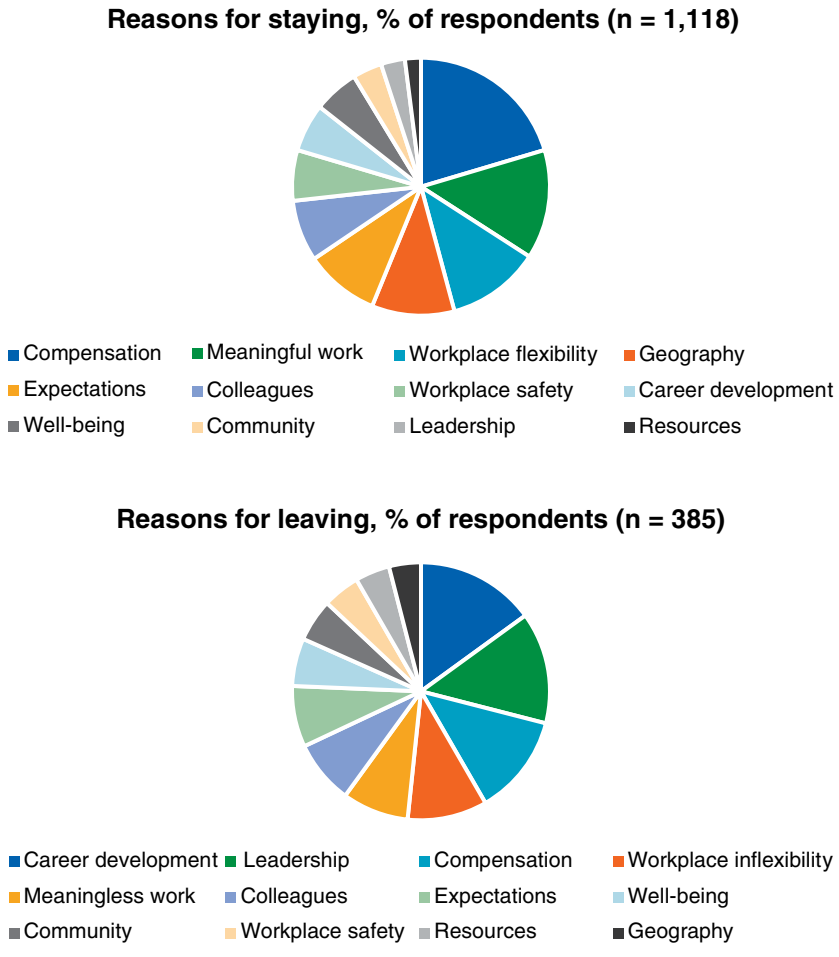
The Struggle to Hire Workers

Meanwhile, many governments have struggled to fill important positions. In Jackson, Mississippi, for example, the city found itself without safe drinking water, in part because of damaging rains—and in part because overstressed workers struggled to keep up. State and federal agencies dispatched reinforcements to help the city get its system back online because Jackson's own employees were getting burned out. In the first two years of the pandemic, state and local governments lost more than 600,000 employees. From 2019 to 2021, water and wastewater treatment plants across the country found themselves with 10,000 fewer employees.[6]

What do workers want? An April 2022 survey found that competitive compensation, work that produced impact, and workplace flexibility mattered most (see Figure 10.1). It is often very hard for government agencies, at all levels, to change compensation levels. Because most employees are part of civil service systems, pay is locked in by grade and step levels. But agency managers have great flexibility in engaging their employees and, as we saw in the last chapter, engaged employees are happier employees and satisfy customers more. Most important, it's

tough to match the impact that public-sector employees have on the job, from designing the future growth of cities to procuring the nation's armed forces with the supplies and equipment they need.

FIGURE 10.1 ■ Reasons for Public-Sector Employees Planning to Stay or Leave Their Current Jobs



Source: McKinsey Great Attrition 2.0 Survey, April 2022; *n* = 1,503 for the public sector in the United States.

Note: People leaving includes individuals who quit, retired, and other separations.

So, if government's human resource systems have limits on some things that are important to employees, they have great power and flexibility to provide things that are especially important to employees, especially for younger employees for whom a meaningful job is especially important. And when it comes to jobs with impact, government provides rich opportunities, at all levels of government.

THE FOUNDATION FOR THE FUTURE OF HUMAN CAPITAL

At all levels of government, government's work depends on creating, managing, and leveraging partnerships with the many partners on which government depends to get its work done. These skills are essential for solving problems, instead of simply managing agencies. That puts even more emphasis on interpersonal skills, information management, and working across boundaries. (We will return to this issue later, in Chapter 13.) Government's fundamental challenge is to identify, recruit, reinforce, and reward these skills. That in turn requires government to adapt and change a system that has been in place for more than 130 years, a system whose very rigidity was designed to prevent political interference in the professionalism of government. This change poses an enormous test in the transition from hierarchical management to the information age.

Experts have long pointed to the rise of a "knowledge society," as management expert Peter Drucker explained in 1994:

> Knowledge workers, even though only a large minority of the work force, already give the emerging knowledge society its character, its leadership, its central challenges and its social profile. They may not be the *ruling* class of the knowledge society, but they already are its *leading* class.[7]

This description of the knowledge economy is even truer for government, whose work increasingly depends on managing information to leverage partnerships with other government agencies, other levels of government, the private and nonprofit sectors, and increasingly with other players around the globe as well. Indeed, many of the issues in future chapters, especially about implementation and regulation, revolve around tracking information and using it to improve performance.

Technology

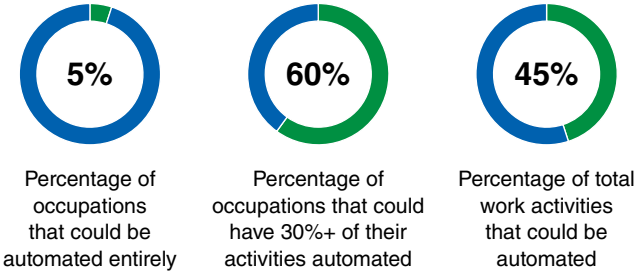
Beyond training, recruiting, and hiring the next generation of workers, with skills matched to the emerging challenges of public policy, lies another challenge, driven especially by new technologies. The nature of work is evolving so quickly that the skills of new workers can become obsolete within a remarkably short time. That, of course, is an even bigger challenge for existing workers who have been working for many years in a government agency—and for their agency's capacity to manage programs effectively. That creates the case for **reskilling**, the process of helping workers update the professional training they bring to their jobs. As the President's Management Agenda noted in 2018,

> The workforce for the 21st Century must enable senior leaders and front-line managers to align staff skills with evolving mission needs. This will require more nimble and agile management of the workforce, including reskilling and redeploying existing workers to keep pace with the current pace of change.[8]

That change is rapid, and it promises to become even more so. Consider Figure 10.2, which shows just how automation will affect *all* jobs. Some jobs in the overall workforce are likely to disappear completely—about 5 percent, by the reckoning of analysts at McKinsey. More

important, *most* occupations are likely to find many of their activities becoming automated. Information technology is likely to change almost *every* job. If government is going to stay on the cutting edge, both in delivering high-quality services to citizens and in doing so at the lowest possible cost, it not only needs to ensure it makes the best use of this technology, but it also needs to ensure it has the employees who can do so. That requires hiring highly skilled new employees—and helping existing employees keep current with changes in information and technology. Moreover, government agencies—like all complex organizations everywhere—will need to develop strategies to help workers stay current with the rapid pace of change.

FIGURE 10.2 ■ Automation Will Affect *All* Jobs


5%
Percentage of occupations that could be automated entirely
60%
Percentage of occupations that could have 30%+ of their activities automated
45%
Percentage of total work activities that could be automated

Source: Michael Chui, James Manyika, and Mehdi Miremadi, "Four Fundamentals of Workplace Automation," https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/four-fundamentals-of-workplace-automation.

Which jobs are likely to be most affected by automation? Research from the private sector suggests that AI is most likely to affect jobs with the most-regular routines in the most-predictable environments.[9] At the local level, for example, garbage and sanitation services are likely candidates for technology. So, too, is billing for water and sewage services, where Bluetooth readers can check and report on the amount of service used without workers having to check individual meters.

The same is true of financial accounting. Consider how PayPal, Zelle, Venmo, Apple Pay, and Google Pay have revolutionized financial transactions in stores. Individuals can come to a coffee shop, order their favorite latte, and swipe their phones to complete the purchase without ever having to reach for a credit card, let alone cash. Stores can use the system not only to make the payments process easier. The system can allow them to track who buys which drinks, which stores sell which products, which products are selling best, and which stores need which supplies (and when) to keep their operations running smoothly. A simple swipe of the phone lowers costs and provides a treasure of information, all without human intervention—except for preparing the latte. Individuals can quickly send money to each other, which makes going out for coffee with a group vastly easier.

The same is likely to happen with the complex financial management systems of government. Individuals have become used to financial websites for their financial accounts, kiosks, "tap-and-go" systems with credit cards, and other automated systems for managing

their money. Government agencies, like all complex organizations, will be moving to financial systems that require less human intervention, from manually inputting individual orders to cutting checks.

Productivity

The potential for investment in technology is enormous, experts point out. A study conducted by Deloitte, a private consulting firm, found that a low investment in technology could speed up tasks by 20 percent, save 96.7 million hours of work, and save $3.3 billion per year. A high investment would have far greater implications: tasks would speed up by 200 percent, save 1.2 billion hours of work, and potentially save $41.1 billion per year.[10] This involves far more than increasing the use of computers to massage data and using better information systems and AI for routine tasks like processing forms. The strategies are vast:[11]

- *Cognitive automation.* Electronic document processing, for example, can help attorneys sift through vast amounts of cases and background documents to find just the information they need for a case. In Georgia, the Government Transparency and Campaign Finance Commission faces the chore of processing, each month, forty thousand pages of financial disclosures. Many of these forms are handwritten, which in the past would have presented enormous challenges. The commission developed a handwriting recognition system, which allowed its team to keep up with the flood of paper while providing better access to the information for key stakeholders.
- *Rules-based systems.* Artificial intelligence systems have become more sophisticated in responding to citizens' questions, even to difficult problems. Deloitte reports, "As this decades-old form of AI grows more sophisticated, users may forget they aren't conversing with a real person."
- *Speech recognition and machine translation.* AI is becoming increasingly sophisticated in translating human speech and the written word, often at high speed.
- *Computer vision.* Computers are becoming far more sophisticated in identifying and tracking information, ranging from individuals' faces to license plate numbers. The government's security services have been experimenting with the replacement of paper-based identification, like driver's licenses and passports, with human face scanning. The Chinese government had developed systems that allow the government to track individuals walking down the streets and entering and leaving buildings. Some universities have already deployed systems that scan the license plates of vehicles entering and leaving a campus and checking them against a watch list. Local police departments have the capacity of identifying the license plate numbers for the suspects of crimes and then tracking them at street corners. That same technology has eliminated toll collectors on many roads and bridges and eased the way to express lanes on highways.
- *Robots.* Sophisticated machines are becoming increasingly capable not only of flying over disasters to identify problems and track the response; they are also becoming

assistants in home health care. Drones provide emergency workers with aerial views of damage after tornadoes and hurricanes.

- *Natural language processing.* It's becoming increasingly possible to combine many of these tools to allow machines to learn skills such as: to scan websites, to use speech recognition, to employ machine translation, and to digest important information from vast quantities of electronic data. The applications range from the "chatter"—in foreign languages—that the federal government's intelligence services sift through in identifying potential security threats to finding common issues across a wide range of written regulations.

The implications are enormous. One analysis of the Colorado child welfare system found that caseworkers spent 37.5 percent of their time documenting information and administering the system, and just 9 percent of their time actually helping children and their families.[12] Experts have assessed the backlog for decisions on Medicare appeals, which have grown from three months to two years, and have concluded that AI systems could not only speed up the process but help the agency deal with the coming retirement of many members of its workforce. Chatbots can allow citizens better access to the information they need while freeing agency staff for the truly complicated cases, as a North Carolina experiment found.

That will change the jobs of those who work in financial administration—and put a high premium on those who can create, navigate, and manage those systems. But it has a far greater implication for jobs throughout government, at all levels of the system, and indeed for jobs in governments throughout the world. Jobs that can be routinized will be. Routinized jobs will increasingly be automated. Jobs that cannot be routinized will be transformed. And all jobs will change. Individuals who have jobs that that cannot be routinized—who have the skills needed to add crucial value to the automated systems—will be in the greatest demand.

It also raises a new frontier in the endless search for accountability in government. Not only would the rise of AI change the jobs of many individuals inside government; it would also increase the use and availability of information. That, in turn, raises a new frontier of challenges to individual privacy. The more that AI can scan and use personal information, the more risk there is that this information could threaten individuals' privacy. And that, in turn, creates brand-new careers for those skilled in understanding and managing the risks that the vast potential of AI will raise.

Telework

COVID-19 forever changed the basic question not only of the *what* of work but also of its *where.* Before the pandemic, there was widespread opposition to the idea from many legislators and from some supervisors. When COVID forced organizations to shift, almost overnight, to virtual work, the debate radically shifted. Anyone, at any level of government, who could work remotely shifted to working from home.

As the virus began to retreat, however, the debate over remote work quickly became partisan. In late 2021, forty-two Republican U.S. senators joined in calling for a return to the

office. They complained, "we continue to hear from constituents in our states about a lack of responsiveness from federal agencies."[13] Biden administration officials countered, "One lesson we have learned throughout the pandemic is that workplace flexibilities, such as **telework** and hybrid work schedules, can promote resilience of federal government operations in the face of disruptions, enhance productivity, and improve employee morale," as Office of Personnel Management (OPM) Director Kiran Ahuja put it. She continued,

> During this time, we have seen the private-sector labor market—and what workers expect from their jobs—change quickly. Private-sector employers have had to quickly learn how to respond to employee needs. Federal employers must do the same to attract and retain talent in this tight labor market.

Republicans countered that this was simply providing more "perks" to "bureaucrats," and they charged that "as many as one quarter of HHS employees never even logged into their emails for the first 10 months of the pandemic." There was no evidence for that charge, however.[14] Similar complaints surfaced at the state and local levels as well, with a Michigan proposal that employees who had not been working remotely on February 28, 2020—close to the beginning of the pandemic—would have to return to the office.[15]

The debate hinged on the argument, on the one hand, that government officials were getting special treatment, and on the other, that remote work was essential to the government's ability to compete for talent. An analysis by the Federal Reserve Bank of New York concluded, however, that "remote work is here to stay." The big question, which will take years to sort out, is how it will work and how much, if at all, workers will need to return to the office.[16]

The shift to remote work, however, raises serious equity issues. During the pandemic, about half of all federal employees still went to work in person.[17] There are TSA screeners, prison guards, air traffic controllers, and park rangers who cannot work from home. At the state and local levels, bus drivers, sanitation workers, police officers, and firefighters all had to manage their regular in-person schedules. Some of these jobs tend to employ lower-wage workers, especially compared with white-collar employees who could work from their laptops at home. In many communities, hiring and keeping employees like bus drivers made it increasingly hard to keep the regular mass transit schedules. A newsletter focusing on smart transportation asked bluntly, "After COVID, who's driving the bus?"[18]

The pandemic, moreover, created a substantial toll for working women. Mothers cut back their hours as they worked to care for their children and, in some cases, managed home schooling. Early in the pandemic, in fact, women left their jobs at a rate four times that of men, a trend some analysts called "America's first female recession." Two years later, a third of women who left the workforce had not yet returned.[19] However, a survey showed that women are more likely to favor remote work than men, especially because it improved work–life balance.[20] The question of remote work thus raises big questions of gender equity, which have yet to be resolved.

Remote work, as it turns out, is very complicated. It sparks political battles over whether it ought to be allowed. It raises big questions of equity. And, ultimately, it needs to be connected to the question of how it promotes the mission of government agencies.

Skill Gaps

Government often finds itself without the employees it needs who have the skills an effective twenty-first-century government requires. The U.S. Government Accountability Office (GAO), for example, identified six government-wide mission-critical occupations, where there is a growing **skill gap** between the government's capacity and its requirements threatened serious problems of performance. In GAO's view, there are big gaps in these occupations:[21]

- Cybersecurity
- Auditor
- Human resources specialist
- Contract specialist
- Economist
- STEM (science, technology, engineering, and mathematics)

More fundamentally, GAO identified broad mission-critical competencies:

- Data analysis
- Strategic thinking
- Influencing and negotiating
- Problem solving
- Grants management competencies

These skills gaps track closely with the changing nature of the government's work, the opportunities presented by the rise of information technology and artificial intelligence, the need for both effective recruitment and for reskilling, and what it will take to ensure that government can build the capacity for effective performance in the twenty-first century. In 2021, GAO concluded that "Skill gaps within the federal workforce persist despite the continuing efforts of the Office of Personnel Management and federal agencies."[22]

MANAGING THE HUMAN CAPITAL CHALLENGE

In January 2001, GAO named human capital management as a high-risk area facing the entire government, and it's been on the list ever since. In fact, new challenges have arisen. As GAO's 2015 report concluded, "Mission-critical skills gaps in such occupations as cybersecurity and acquisition pose a high-risk to the nation."[23] The failure to build human capital, GAO worried, courted failure in the government's performance.

Building Human Capital

The challenge of building human capital revolves around four issues: (1) leadership; (2) strategic human capital planning; (3) acquiring, developing, and retaining talent; and (4) results-oriented culture.[24]

Leadership

Developing human capital begins at the top, with organizational leaders who focus on building a workforce with the capacity to accomplish the organization's goals. In part, this requires top managers to give sustained attention to management. Big policy issues—from scandals to political battles and new legislative proposals to congressional oversight hearings—often drive out a manager's focus on administrative issues. But whenever the urgent (as indeed these policy issues are) drives out the important (especially a long-term focus on organizational performance), governmental organizations risk spending their time fighting brush fires instead of accomplishing their overall missions.

Top government leaders often ignore human capital. There's a tendency to view human capital either as dull and boring work, or as secondary to the big issues of making policy. But big policy without the capacity to make it work is worse than no policy at all. It raises citizens' expectations only to dash them. Moreover, human capital has the potential to leverage vast areas of government performance by matching government's hiring to the skills it needs.

There's the case of the launch of the Affordable Care Act during the Obama administration. On its first day, October 1, 2013, it crashed, with only a handful of people able to negotiate it to sign up for health care. That enormous embarrassment fueled widespread criticism among Republicans, who charged that the Obama administration had overreached and that the only solution was to repeal and replace the program. Those charges, in turn, helped fuel Donald Trump's successful 2016 presidential campaign. The problems occurred because the Obama administration had not heeded the quiet warnings of experts to put people in place with the capacity to build the new system.

Republicans have had their own share of embarrassing failures. In the aftermath of Hurricane Katrina's assault on the Gulf Coast in 2005, there were widespread criticisms that the administration simply had not responded quickly enough or effectively enough to deal with the problems of those suffering from the storm's wrath. Both cases were human capital failures. In each case, the problems were solved when a new team arrived to tackle them—a new team with the skills and capacity needed to get the job done. Focusing attention on human capital is often difficult—until the consequences of failing to do so underline just how important it is.

Strategic Human Capital Planning

Former comptroller general David M. Walker concluded, "Strategic management of human capital should emphasize that people are the key to the success of our government transformation effort. As such, they should be treated more like assets instead of liabilities."[25] The cornerstone of human capital is matching the skills of the workforce with the job that government

seeks to do. Every new policy idea needs an implementation plan. (We will return to this later in the book.) And every implementation plan needs a careful assessment of the skills it requires. It's impossible to run an effective emergency medical system without trained emergency medical technicians. Police work requires careful training, and the nature of that training is becoming ever more complex as the tools of policing, from DNA to computer-based dispatching, becomes more intricate. Public health systems require skilled analysts of diseases and the best way to fight them (does immunization work? For whom, what kind, and when?). Running a sound retirement system needs analysts who can assess the life expectancy of retirees, the best investments for guaranteeing a strong flow of income with the right level of safety, and the ability to manage large cash flows to retirees' accounts.

Every important public program has an important human face that requires important human capital skills. Every government program is important because it matters to citizens. No government program can work without the human skills to connect it with the humans who depend on it. Determining what skills are needed—how to get them—and how to keep them—are the critical elements of strategic human capital planning on which all government depends. Indeed, there is a paradox here: the more intricate programs get and the more they depend on machine- and internet-based systems, the more the human touch is needed to ensure that they work well.

Hiring, Developing, and Retaining Talent

Of course, government agencies are not the only organizations seeking to operate effectively in the knowledge society. Private and nonprofit organizations, in the United States and around the world, are competing for the highly skilled workers needed for these tasks. Although there are many advantages to working for the government—from fringe benefits to the rewards that come from serving the public—in many cases government workers can find similar positions in the private sector, and many of these private-sector jobs involve work under the general umbrella of government rules. The government thus needs to compete in hiring top talent—and it needs to work hard to keep its best employees committed to public service.

An important 2014 report by the Partnership for Public Service concluded, "The world has changed dramatically, but the civil service system has remained stuck in the past, serving as a barrier rather than an aid to attracting, hiring and retaining highly skilled and educated employees needed to respond to today's domestic and global challenges."[26] In 2018, a report by the National Academy of Public Administration (NAPA) concluded that "the federal government's people systems had fallen far behind what government needs to serve citizens in the twenty-first century." There was "no time to wait" in fixing the system, NAPA contended, and the key lay in "changing from a culture of compliance to a promise of performance." The report argued,

> This promise cannot be kept simply by scraping the barnacles off the ship. Struggling to catch up will only leave us falling farther behind. Rather, we need a new ship—and that ship has to sail through very different waters ahead. Big changes in technology will produce enormous changes in the nature of work. That will require a government workforce whose members can harness that technology to better serve the public. If the message of the first report was that there is no time to wait, the message of this report is that there is even less time to wait. We cannot wait to adapt to the changing nature of

> work. Indeed, technology has already changed work; and unless the federal government launches an aggressive effort now to rebuild its workforce, it will fall farther behind in its ability to serve the public. Government would risk losing its ability to govern. The need is urgent.[27]

An emerging challenge in recruiting government talent is that millennials and Generation Z workers have different expectations in the workplace. The age group most likely to leave their current position is eighteen- to twenty-five-year-olds. Generation Z workers are highly likely to leave the jobs they now hold—78 percent of Generation Zers, in fact, plan to leave their positions in the next two years. For millennials, the number is 43 percent. If a job doesn't provide learning opportunities, nearly half of Generation Z workers would leave. Recognition awards for good work is important for 79 percent of millennials and Generation Zers.[28] These are big shifts from previous generations, and they demand a major change in recruiting strategies for government work.

Results-Oriented Culture

That promise of performance depends on building a more effective results-oriented culture. In the aftermath of the September 11, 2001, attacks, for example, the FBI discovered that the mismatch of rules and missions hindered the bureau's effectiveness. To resolve this problem, top FBI officials reorganized the bureau's structure to match its mission and worked to match the personnel system to the new priorities.

As American governments at all levels develop more aggressive performance management systems, it becomes easier to use those systems to drive the personnel system—and to reshape the personnel system to support the mission. Other nations have been pursuing such strategies. In Canada, the province of Ontario has redefined its system for measuring employee performance to capture how well its employees contribute to the organization's goals. A similar overhaul has occurred in the Tax Office in Australia. These governments have created a "line of sight" performance management system, designed "to clearly demonstrate how an individual's performance contributes to the overall goals of the organization as well as to broader government-wide priorities."[29] The idea is simple: measure each employee's performance, and connect that employee's work to the work of the organization. Strengthening the incentives for each employee improves the organization's ability to accomplish its mission.

Such an approach, of course, is both complex and difficult, but many analysts have concluded that this should be the foundation for reform in the United States.[30] Republican and Democratic administrations alike have embraced this strategy, but like all challenges of changing the culture, the road can prove long and arduous.

GOVERNMENT REFORMS

Governments everywhere are looking for new flexibility to manage their human capital systems. Sometimes these systems are based on the effort to better match employees' skills and job requirements. Sometimes they are efforts to use the mandate of human capital reform to accomplish broader political purposes. For Democrats, this often means protecting the jobs of government employees, since public employee unions have often been strong supporters of

Democratic campaigns. For Republicans, this often means trying to reduce the number of government employees and weaken the unions that have supported the Democrats. Like everything that truly matters about public administration, the pursuit of performance is inevitably entangled with the realities of politics.

Over the years, pragmatic changes have crept into the system, to create separate hiring authorities for everything from air traffic controllers to physicians. Those authorities have multiplied to the point that the federal government has more than one hundred different authorities.[31] These authorities have been very useful to federal officials in hiring new employees. But as the number and variety of these authorities have grown, they have made the government's civil service system much less of a "system."

RETHINKING THE MEANING OF MERIT

That has led many reformers to think about an even more fundamental reform of the civil service system. Should there be a single system that applies to all government employees? Or, given the difficulty of passing legislation to improve the civil service, should reformers take advantage of opportunities where they find them, on an agency-by-agency basis, even if that means the system as a whole falls out of sync? This focuses on the most basic question of all: what is the role and meaning of the nineteenth-century merit system in the twenty-first century?

At the state level, there have been even bigger steps to escape the constraints of the civil service system. They took the advice of Walter Broadnax, former director of the New York State civil service system and longtime analyst of the process, who, in frustration at the system's constraints, said simply, "Blow it up."[32]

At-Will Employment in the States

The Texas legislature led the way in 1985 by abolishing the Texas Merit Council, a body that did not have control over all the state's employees but did oversee ten agencies' compliance with federal law. The state legislature decided to eliminate the council and delegated responsibility for complying with federal civil service standards to the state agencies themselves. The agencies, in turn, were given complete flexibility in setting hiring and firing procedures for their employees. The state government, for example, cannot calculate how long it takes to hire new employees, since the agencies follow their own rules and the state does not keep centralized statistics. Indeed, Texas is the only state without a central personnel office.

Georgia followed in 1996 with an even more radical reform, which Republican Governor Zell Miller made a centerpiece of his effort to transform government management. When the state set up its civil service system in the 1940s, he said, creating "a professional workforce that was free of political cronyism" was important. Miller won overwhelming support for his plan to abolish the state's merit system. Employees hired after July 1, 1996, served "**at will**," which meant that they had no civil service protection and could be fired without benefit of the standard civil service procedures. The new employees would receive the same benefits as employees currently in the system, but they would not accrue seniority rights. They would have no formal

rights of appeal of disciplinary actions or performance assessments. Managers could promote, demote, transfer, or fire employees as they saw fit. The legislature also abolished the traditional grade-and-step process that set employees' wages.

Despite the worries of many advocates of the traditional civil service, Georgia's new system has been remarkably free of tales of abuse. Investigative reporters found little expansion of patronage. In fact, they determined that patronage in Georgia was little different than in states with tough civil service laws. Different employees doing similar jobs might receive different pay, which would not have occurred in the old system. And managers found that they had lost the ability to blame the system for being unable to respond to requests. As one senior state official put it, the buck stops with managers, who have to shoulder responsibility for their decisions.[33]

In 2001, Florida made three fundamental changes in its civil service system. First, supervisors became at-will employees. Second, the state collapsed its existing pay structure into a broadband system. Finally, with a handful of exceptions for police officers, firefighters, and nurses, the state eliminated seniority protections for state employees. As journalist Jonathan Walters explained, "What lawmakers in Florida seemed to have decided was that if it's not possible to eliminate civil service coverage for all state employees outright, then the best thing to do was to drastically reengineer what that coverage amounts to."[34] The state continued to push ahead without a strategic workforce plan, however, and the GPP found the state drifting into growing trouble. Florida outsourced more of its administrative work and made one-fifth of its workforce at-will employees (that is, they could be fired at the will of their supervisors). Turnover rose, and the state's capacity to get its work done shrank.[35]

What effect did these reforms have? There has been little evidence of widespread abuse in any of the three states, either through hiring substandard workers or political interference in the hiring process. Few lawsuits alleging discrimination or other violations of the law have arisen. The basic principles for which the civil service system had been created a century before remained intact. Managers simply found it easier to manage: they had more flexibility and could act more quickly, and they had an easier time firing poor performers and, when necessary, shrinking the size of the government workforce.

It is hard to predict what would happen if such reforms were to be instituted in other states with stronger traditions of political patronage. As in the federal system, establishing good performance measurement systems has proven difficult, and none of the states has yet systematically assessed the impact of the reforms—with the devolution of responsibility came a hands-off policy on collecting data. However, it is clear that, faced with tension between the restrictions of the current civil service system and the imperative to adapt government to fast-changing realities, more state and local governments will be exploring flexible personnel systems.[36]

Virginia's state government, in many ways, has become the national model. The state developed innovative approaches to recruiting new employees, which included devising a strategy to give state service a special cachet and contracting with a private company to recruit foreign-born nurses to fill high-demand positions. Virginia has broadband pay ranges and flexible fringe benefits, along with a generous pay-for-performance system. Training and development are high priorities.[37] The state found that human capital development paid off, with higher performance for taxpayers and better jobs for state employees.

More broadly, fundamental changes to many of the civil service system's oldest features are emerging throughout the states. Florida's at-will system has expanded to Georgia and Indiana. In Arizona, new employees must agree to "uncovered" status, forgoing traditional civil service protections. North Carolina has expanded the number of employees exempt from civil service requirements, and Tennessee has eliminated "bumping." As North Carolina Governor Pat McCrory put it, "I've got a $20 billion operation I've got to run, and you can't run it with your managers' and your executives' hands tied."[38] In fact, Paul Verkuil, who formerly headed the Administrative Conference of the United States, found that at least twenty-eight states have moved to some version of at-will employment, and the number is growing—although state public employee unions remain fiercely opposed and have fought the expansion in court.[39]

At-Will Employment in the Federal Government

At the federal level, the debate over merit has grown even more fierce. Representative Chip Roy (R-Tex.) has proposed making all federal employees at-will, so they could be removed for any reason without the usual rights of appeal. Roy said, "there are still too many federal employees actively undermining America through their blatant contempt for our nation, the rule of law, and the American people." He continued,

> That is because policies meant to insulate the government from politics have instead created a dense web of red tape that rewards laziness and noncompliance and enables hostile partisans to entrench themselves within federal agencies. Former President Trump is absolutely right about this: there needs to be a reckoning, and bureaucrats actually need to be fireable. . . . The American people have lost faith in our federal agencies—for good reason; they can see the abject failures of tyrannical COVID lockdowns, partisan prosecution of federal crimes, economy-killing energy policies, and the woke indoctrination by health agencies claiming, for example, men are women and that there are "pregnant people."[40]

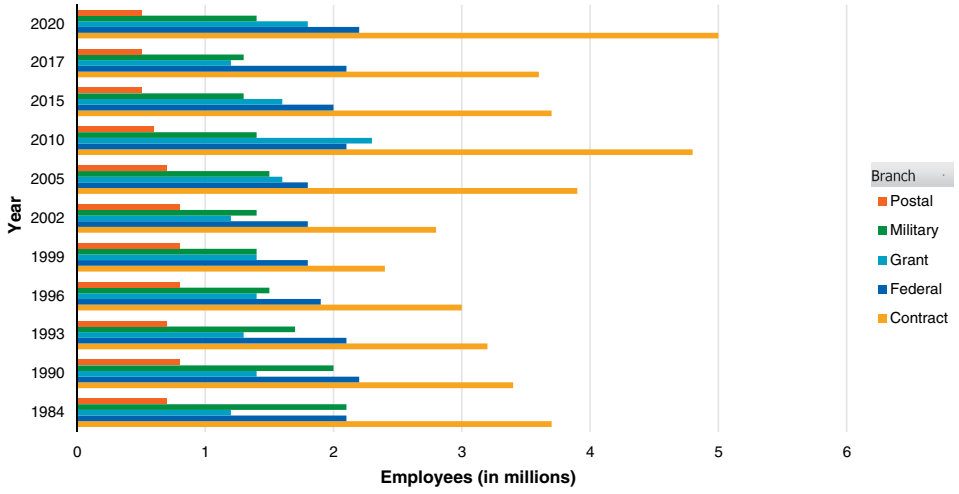
Democrats, of course, not only had no interest in embracing the Roy proposal. In fact, the more Republicans argued the case for at-will employment, the more public employee unions pressured their Democratic allies to circle around the existing rules and protections. That has further reinforced the deep polarization that already existed around human capital issues, and it has made fundamental reform even more difficult.

How Many Government Workers Is Enough?

Most of this debate revolves around the number of government employees. As Paul C. Light has pointed out in his pathbreaking work, however, these employees constitute only a fraction of the number of people responsible for doing government's work. Although there are 2.2 million federal civilian employees, the true size of the federal government, he found, was more than five times larger (see Figure 10.3). Although the total number of federal employees has remained relatively constant, the number of contractors and grantees doing the federal government's business has risen over time. Light's research is important because there is no standard source to determine just how many contractor employees there are. Light adds, "the federal

government's blended workforce may have become a threat to the very [service] delivery it guarantees," because it is hard to manage and because it brings vast complications to the human capital process.[41]

FIGURE 10.3 The True Size of Government



Source: Paul C. Light, "The True Size of Government Is Nearing a Record High" (October 7, 2020), https://www.brookings.edu/blog/fixgov/2020/10/07/the-true-size-of-government-is-nearing-a-record-high/.

To solve this problem, political scientist John DiIulio has advanced a radical idea. In his fascinating and important book, *Bring Back the Bureaucrats*, he contends that government ought to pull more of its work back in-house and hire more government workers to do it: this would mean a million more workers for the federal government by 2035. That, DiIulio explains, would help trim the size of government by paradoxically increasing it: the strategy would enhance government's ability to get things done.[42] Neither policymakers nor citizens have shown much appetite for this eminently sensible and powerful idea. The problem, at the core, is that we tend to disconnect the broad debates about "bureaucracy" from the job that bureaucrats do. If we want high performance from government, we need enough government bureaucrats with the right skills.

The "how many is too many" question, especially in the federal government, percolates down to the puzzle of how many political appointees is the right number. In the federal executive branch there are over 3,000 political positions, about 1,500 of which are at the higher levels.[43] By any measure, the United States has a far larger number of political officials at the top of the bureaucracy than other Western democracies. Moreover, the number of executives at the top of the federal bureaucracy has steadily been increasing over the past forty years.

Why does the United States stand out? One explanation is that many presidents have entered office on campaigns vilifying "the bureaucracy" and, believing their own rhetoric, concluded that only a small army of their own choice could ensure agencies' responsiveness to presidential policy priorities.[44] More basically, however, the American separation of powers, in contrast to European systems, leaves the president less in command of administrative agencies than are

European executives, who have more administrative freedom. In parliamentary systems, leaders can count on legislative support because their party or coalition has the most votes. The U.S. president, in contrast, faces a Congress that engages in active oversight and intervention in administrative agencies' affairs, and the president often confronts a situation in which the opposite party controls one or both houses.[45]

No one doubts the need for having a layer of political positions and, immediately below that layer, for mixing political appointees and careerists. It is widely agreed that a president or department head needs people who share the same policy orientation; who will advocate the chosen policies to congressional committees, interest groups, and the public; who can serve as their superiors' loyal agents in bringing the permanent bureaucracy into effective service of those policies; and who have their superiors' confidence. The leader also needs officials who are expendable—who can readily be removed when they lose the president's or department head's confidence, resist policy directives, or become liabilities because they have antagonized relevant congressional committees or interest groups.[46] The question for debate is how deep into the bureaucracy this political appointment process should go.

As Paul C. Light found in an important study of senior officials, the federal government has steadily "thickened" as the number of political appointees has risen. There are, Light discovered, "more layers of leaders" and "more leaders at each layer."[47] The increase of governmental layers weakens accountability by making it harder to assign clear responsibility for results.

LEADERSHIP IN THE PUBLIC SERVICE

The large number of political appointees in the federal government stands in stark contrast to other countries. In Britain, a change of parties brings only about 120 members of Parliament into the executive part of the government, with such titles as minister, junior minister, and parliamentary secretary. In France, the government of the day has only 100 to 150 politicians, mostly ministers, secretaries of state, and their staff aides. In Germany, the strictly political echelon is thin—about forty members, including ministers and parliamentary secretaries. Denmark has perhaps the thinnest layer of political officials of any major democracy: the minister of each agency is a political official, but all officials below that level are careerists. The American federal government, of course, stands at the opposite extreme.

Then, in the United States, there is the challenge of filling these thousands of positions. With so many positions, the president never fills them all. No sooner does the president's appointments office begin making a dent in the vacancies than those hired first begin leaving. It's a revolving door that never stops spinning.

Moreover, there are four important problems. First, many political appointees have little government experience, and that makes the job of navigating the complex world of government tremendously difficult.

Second, many political appointees arrive at their positions without extensive management experience.[48] Many come from law firms, university faculties, research institute staffs, interest group organizations, and congressional members' offices and committees. Such experience scarcely prepares them to run a bureau of five thousand employees, let alone to operate effectively in one of the cabinet departments.

Third, many political appointees serve only short times in office. For decades, the median length of service for presidential appointees has been little more than two years. A third stayed a year and a half or less.[49] Many appointees have barely learned their jobs before they leave, and their departure starts the process all over again. One federal career civil servant, who became an assistant secretary of commerce, reported his experience this way: "I don't know how many assistant secretaries I have helped break in," and new executives tend to come in "and discover the wheel all over again."[50]

Fourth, civil servants' incentives to obey political superiors tend to dissolve when the civil servants calculate that their superiors won't be around for long. That produces what Hugh Heclo called a "government of strangers."[51] Indeed, hardened top career officials have learned that there are two ways of embarrassing a new political appointee. One, they say, is to do nothing the new boss wants, on the assumption that the appointee will not be around long enough to notice. The other is to do *everything* the new boss wants. There's no better way to make sure an appointee learns the importance of the career staff than to get embarrassed by something a careerist could have helped prevent.

CONCLUSION

Our discussion of human capital identifies seven important issues. First, the importance of government's managers has risen as government's work has become more complex. One of government's toughest problems, in fact, has become identifying the skills it needs to get its work done—and finding the people who can do it.

Second, both the meaning of merit and the challenge of obtaining the skills government needs have become vastly more complicated over the years.

Third, the number of political appointments at the top of the bureaucracy in the United States is far larger than in other countries.

Fourth, the careers of political appointees are short and those of careerists are long. This disparity makes for an uncomfortable relationship. Political superiors operate within a brief time frame, initiating ideas they often cannot see to completion or restricting themselves to short-run ventures for which they can get credit. Government is like a repertory theater whose regular cast was there before and remains during and after the visit of each celebrity imported to star in plum lead roles for a short run.

Fifth, although strong support remains for protecting the civil service system from political interference, frustration is growing with the restrictions that have accumulated in the system over time. Reformers are eager to provide managers with more flexibility, but every reform raises twin problems: fears that the changes will uproot the nation's long and deep commitment to politically neutral administration, and worries that the reforms will not go far enough in ensuring government grows its capacity to meet big, tough problems.

Sixth, all of these are deep, enduring, and critical issues. In his book *A Government Ill Executed*, Paul C. Light tracked the fundamental puzzles back to the debate between Thomas Jefferson and Alexander Hamilton on the nature of the American republic. Light concluded that "the federal service is suffering its greatest crisis since it was founded in the first moments of the republic . . . running out of energy [and] unable to faithfully execute all the laws."[52]

Solving government's most important and fundamental problems depends on resolution of these issues of human capital management—and on linking them to the broader puzzles of governmental decision-making and implementation. Human capital is not an isolated topic in itself but one that is intimately connected to government's capacity to do what must be done. We turn to that issue in the next chapter.

CASE 10.1: SYNCING THE PUBLIC SERVICE WITH THE PUBLIC MISSION

In 2017, the National Academy of Public Administration produced a detailed report on the future of the public service entitled, *No Time to Wait: Building a Public Service for the 21st Century.*[53] Here's what the NAPA report said in its introduction:

Introduction: Mission First, Principles Always, Accountability for Both

The federal government's civil service system is badly out of sync with the needs of an effective 21st century government. Some of the system's critics might question whether the system, created in the late-19th century, still matters more than 130 years later. We believe the answer is a clear "yes"—but that the system must be modernized, refreshed, and reinvigorated to fit the needs of the digital age.

In the 19th and 20th centuries, industrialized democracies around the world created professional civil service systems to prevent the corruption, nepotism, and poor performance that had existed under earlier "spoils systems." These standardized systems made sense when governments had a limited number of agencies and relied on a workforce largely consisting of clerks. The system proved remarkably effective for a very long time, in virtually every sphere of American life: responding to economic crises like the Great Depression, fighting two world wars (and one cold one), and stimulating technological innovation.

Now, however, government's changing responsibilities require a more highly skilled and agile workforce. Among its many problems, the current civil service system is no longer a system. It is mired in often-arcane processes established after World War II, in the days before the Internet, interstate highways, or an interconnected global economy. Pursuit of those processes, many now largely obsolete, has become an end in itself, and compliance with them has tended to come at the expense of the missions they were supposed to support.

As a result, the federal civil service system has become a non-system: agencies that have been able to break free from the constraints of the outmoded regulations and procedures have done so, with the indulgence of their congressional committees. But that practice can risk undermining the merit principles that originally gave birth to the system in 1883. Meanwhile, those agencies unable to maneuver a breakout find themselves trapped in processes that fail to serve their missions.

An important point about "the merit system" deserves clarification. Frustrated managers often rail against the "constraints of the merit system." Although that sentiment is understandable, those problematic constraints are in fact produced not by the basic merit system principles, but by the particular ways those principles have been brought to life in the personnel authorities currently established in title 5, United States Code, and their elaborate implementing regulations.

Why Improving the Human Capital System Matters

The many flaws in the federal government's human capital system—with its decades-old civil service rules that govern how employees are hired, developed, paid, and retained—have real-world consequences. While the human capital system is not exclusively responsible for the government's problems, solving them without reforming that system is impossible. . . .

A Strategy for Reforming the Civil Service and the Federal Human Capital System

As these examples show, the federal government's personnel system is broken. It serves neither the agencies' programmatic missions nor the system's broad principles. Incremental steps to tinker with current personnel practices would only make the system more complicated and difficult to administer. Limping down different roads can never fix it. We have a system that no one likes and that simply does not serve the government or its citizens well.

There is much debate as to the future of human capital in the 21st century within the public service. This paper proposes an innovative strategy for a refocused civil service system, with a new federal human capital strategy driven by a central concept: mission first, principles always, and accountability for both. We believe that the new enterprise-level human capital system should rest firmly on a balanced three-legged stool comprising:

- Mission: a system that enables departments and agencies to achieve their policy goals in ways that are optimum for their missions.
- Principles: a system that pursues this strategy in ways that uphold the time-honored values of merit.
- Accountability: a system that enables managers to be held responsible for using 21st century strategies and tactics to accomplish agency missions while adhering to core principles.

. . . We seek to reclaim "accountability" for its original and proper meaning. In some recent policy debates, "accountability" has become a euphemism for making it easier to fire public employees. The system surely needs more flexibility, and poor performers should not be retained in public service positions. But "accountability" means much more than that. It is a time-honored principle that government should be responsible for serving the public interest.

Moreover, we believe that public servants should not be viewed as symbols of big government or as problems that need to be eliminated whenever possible. The nation needs to follow the central lesson taught by its leading private corporations: the best-managed companies see their employees as their biggest assets, and government should too. Government employees are fundamentally important assets in pursuing government's goals. Although we certainly need greater accountability in public service, what we most need is a system that holds administrators accountable for results. How well government employees accomplish government's mission and what principles are pursued in doing so are the key issues. Viewing "accountability" through the narrow lens of "firing employees" does the debate and the country no good service.

Instead, the focus should be on the creation of a federal human capital system that (1) focuses on how best to achieve the government's mission, (2) fits the core principles of merit to meet the government's new challenges, and (3) redefines accountability through strategies and tactics that meet citizens' needs. What the country does not need is a system preoccupied by—and mired in—process.

Nor does it need a "one-size-fits-all" strategy that jams all federal agencies into uniform boxes. The federal government's work and missions are just too varied for this to succeed. Efforts to force one-size solutions only undermine the ability of government's many

departments and agencies—each created for a different reason—to serve their diverse constituents in ways that meet their individual (and individualized) needs.

The reader may have noted a recurring theme among the problems cited so far: the important role that skilled leaders must play in preventing problems and solving them when they do develop. Recruiting highly qualified leaders and managers to federal service and retaining them is yet another arena where an improved human capital system is needed. The government must equip its leaders with an improved human capital system that emphasizes mission first, principles always, and accountability for both so they can effectively accomplish their mission.

Governments around the world are struggling to reform their human capital processes to meet the new demands of the digital age. As with civil service reforms of the 19th century, we are presented with a unique historical moment that calls for creativity and imagination in devising a fundamentally new human capital framework. Certainly, no "silver bullet" solution can solve these problems, but we believe that the strategy outlined in this White Paper would significantly improve the current system. We urge its careful consideration by Congress and the Administration.

Questions to Consider

1. In reading the report's introduction, which issues do you see as most important?
2. Consider the summary of the recommendations. Do you find the recommendations persuasive—or not?
3. What case would you make to promote reform of human capital in government? How important an issue do you think it is, compared with many other issues vying for policymakers' time?
4. Human capital rarely gets top-level attention in government. Why do you think that is? Is it not important? Or is it just too mundane to attract the attention of policymakers?

CASE 10.2: REINING IN THE UNIONS? STATE EMPLOYEES TARGETED IN WISCONSIN, OHIO, AND BEYOND

Shortly before taking office as Wisconsin governor in 2011, Scott Walker fired a warning shot toward state employees. With multibillion-dollar deficits looming, Walker said, "We can no longer live in a society where the public employees are the haves and taxpayers who foot the bills are the have-nots." He went on, "The bottom line is that we are going to look at every legal means we have to try to put that balance more on the side of taxpayers."[1] Walker, a Republican, proposed taking away the right of government employees to collectively bargain over contracts and working conditions and making it much harder for unions to collect dues to support their operations.

He wasn't alone. In Ohio, Governor John Kasich proposed an end to the ability of child-care and home-care workers to unionize and to ban strikes by teachers. "If they want to strike, they should be fired," Kasich said. "They've got good jobs, they've got high pay, they get good benefits, a great retirement. What are they striking for?"[2] Elsewhere, attacks on public employee unions surfaced in Indiana, Maine, and Missouri. Even in California, with

a Democratic governor, union power came under tough scrutiny. "We will have to look at our system of pensions and how to ensure that they are transparent and actuarially sound and fair—fair to the workers and fair to the taxpayers," Governor Jerry Brown said. The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) warned that this was part of a national battle to wipe unions out by eliminating their ability to collect dues from everyone in a bargaining unit. If each employee had to opt in to allow union dues to be used for political purposes, "it [would] cut them off at their knees" because the move would starve unions of the cash on which they relied.[3]

The political motivation was clear. Public employee unions had long been strong supporters of Democratic candidates, including at the state and local levels. Many Republican governors had to fight against union campaigns to win election, so their interest in disabling the unions was understandable. The *New York Times* estimated that unions had invested more than $200 million in campaigns against Republican candidates.[4] But the issue goes much deeper. Following the Great Recession, which started in 2008, many taxpayers resented the job security, pay increases, and generous pensions that many state and local government employees received, even as these employees had to dig ever deeper into their own pockets to pay for them. Republicans—and some Democrats—asked whether government employees had become a privileged class of workers protected from the economic downturns that had savaged so many private-sector workers.

Moreover, even as some analysts argued that the economy had slowly begun getting back on its feet, state and local budgets remained deeply in the red. Unlike the federal government, which can borrow money to pay its bills, state and local governments must balance their budgets. In the early stages of the downturn, state officials had already used up most of the easy options to make do with less and economize, and they began moving to harder and harder decisions. As states looked into projections about future budgets, one item that loomed especially large was the share of state and local government spending accounted for by employee salaries and especially fringe benefits, including pensions. In many states, state and local government employees were entitled to a fixed monthly pension, called a "defined benefit" plan, based on their salary and years of service. Most of the private sector had long ago moved away from such plans to "defined contribution" plans, in which individuals invested their own money sometimes along with a company contribution, and the monthly payment was determined by the performance of the investments. Many individuals watched their retirement savings shrink after the 2008 stock market crash. However, those who had defined benefit plans didn't have to worry.

Analysts have projected that state and local governments will have increasing difficulty in meeting their pension obligations in the future. GAO estimates that state and local governments have hundreds of billions of dollars in unfunded pension obligations (commitments to pay pensions to employees without having enough money in place).[5] New governors—Republicans and Democrats alike—have come into office and had to confront these tough long-term projections. Many have concluded that they will not be able to balance their budgets without fundamentally restructuring their pension systems, perhaps by moving future employees to defined contribution systems or by reducing defined benefit programs for all employees. Public employee unions, of course, immediately objected to such plans, fearing that they would undermine one of the most important benefits the unions had negotiated for their workers. Some Republicans savored the opportunity for a fight against a group that had bankrolled their electoral opposition.

Nowhere was that battle more intense than in Wisconsin. For decades, the state's labor unions had invested heavily in issue ads during political campaigns. Business groups raised their own funds to counterattack, in what had become an escalating arms race. Governor

Walker's proposals to restrict the unions' power were, in part, to help the state deal with its enormous budget deficit. Restrictions on fringe benefits for state employees, and requirements that employees contribute more to their health and retirement plans, would help the state stem the flood of red ink. The proposal went further, however, in limiting the unions' ability to raise money from members and the length of time for which the unions could bargain over working conditions. All of the state's Democratic senators fled to Illinois, which denied Republicans the quorum they needed to pass the measure—until the Republicans found a parliamentary measure that permitted a vote without a quorum. With the Democrats hiding out across the border, the Republicans pushed the bill through the legislature and the governor signed it, before the Democrats could react.

As the smoke settled after the fire, longtime political analyst Mordecai Lee sadly wrote, "While ideology and energy are welcome in Wisconsin politics, I can't help but think that the politics of political destruction are not."[6] Wisconsin's struggle over the future of public employee unions helped stoke other blazes around the nation. Public employee union leaders said they were determined not to give in. Those seeking to weaken their power were just as determined to use the budget battles to redefine the unions' role—in both public administration and the nation's politics. Governor Walker beat the drive to recall him. The protests continued, with a daily "Solidarity sing-along" at the capitol. One protester, Steven Bray, was arrested a half dozen times—but he vowed to keep coming back to sing.[7]

Questions to Consider

1. Do you think public employees should have the right to organize and be represented by unions? Do you believe that they should be able to bargain over the full range of issues—pay, fringe benefits, and working conditions? Should they have the ability to strike to support their demands? Do you think there should be limits on which employees can organize and what steps they can take?
2. Public employee unions have long argued that their members don't always receive the highest pay, and that their efforts to negotiate better benefits have helped them win the fringe benefits that have created a quality workforce. A new breed of politician has argued that the nation can no longer afford these benefits and that public employees shouldn't receive better protection or benefits than other workers. How do you weigh this battle?
3. What do you think about the role that public employee unions play in elections? Should they be allowed to assess dues on their members and use the money to support individual candidates, even if it risks having to work for elected officials whom they opposed?
4. A critical issue is the future role of public employee pensions. Should the public employee pension system be restructured to move public employees to defined contribution plans? How should this work, to be fair to employees who have spent their entire careers working for a pension and who wouldn't have time to build up their own individual savings plan to replace a government pension? The longer the transition to a new pension plan, of course, the longer it would take for state officials to realize budget savings from the change.

Notes

1. Steven Greenhouse, "Strained States Turning to Laws to Curb Labor Unions," *New York Times* (January 3, 2011), http://www.nytimes.com/2011/01/04/business/041abor.html?pagewanted=all.

2. Ibid.

3. Ibid.

4. Ibid.

5. U.S. Government Accountability Office, *Government Pension Plans: Governance Practices and Long-term Investment Strategies Have Evolved Gradually as Plans Take on Increased Investment Risk*, GAO-10–754 (Washington, D.C.: Government Printing Office, 2010), http://www.gao.gov/new.items/d10754.pdf.

6. Mordecai Lee, "Welcome to Thunderdome Politics," *Milwaukee Journal Sentinel* (March 12, 2011), http://www.jsonline.com/news/opinion/117830143.html.

7. Marti Mikkelson, "Two Years On, Protesters Still Fighting Wisconsin Governor," *National Public Radio* (September 12, 2013), http://www.npr.org/2013/09/12/221084521/two-years-on-protesters-still-fighting-wisconsin-governor?sc=17&f=1001.

CASE 10.3: WHO YOU GONNA CALL? IT'S ONE MAN WHO DECIDES WHO GETS HOW MUCH FROM THE BP OIL SPILL COMPENSATION FUND

When America faces an impossible job, who does the president call? For a series of tough tasks, it was the phone of Kenneth Feinberg that rang.

After the September 11, 2001, terrorist attacks, for example, Congress created a fund to compensate the families of the nearly three thousand people killed. That was a strong and generous national gesture. But how much should each family receive? One approach would have been to divvy the money up, with each family receiving the same amount. Some of those killed, however, were very high-level executives whose families had homes, educational expenses, and other expenses that depended on that income. Some of those killed earned close to the minimum wage. Some were very young; others were at or past retirement age. Was it fair to give everyone the same amount? Congress decided no—but left it up to the Bush administration to figure out how to divide the money fairly. President Bush put Kenneth Feinberg in charge.

That was an effort to put a small bandage on a gaping national wound. However, the 2010 BP oil spill dwarfed the number directly affected by the September 11, 2001, attacks. As the oil flowed across the Gulf, many thousands of Gulf residents (some boat captains, others oystermen and shrimpers, and others hotel and restaurant operators) lost their livelihoods for weeks or months, and some worried whether they would ever be able to regain their lives. BP put $20 billion in a compensation fund. But how were they to distribute the cash?

Those who believed they were injured had two choices. They could take their chances by filing suit in court, knowing that they were relatively small players up against one of the world's largest companies. Or they could make their case to Feinberg and accept what he believed was just. As Feinberg told CBS News's *60 Minutes*, "It's a free country. If you wanna come into the fund, with all the benefits of the fund, come on in. You're welcome. We'll give you a fair shake. We'll process your claim. We'll pay you what you're due. If you don't like what we're paying you, if you think we're nickel and diming you, if you think we're not being fair, opt out and go the other route [to court with a civil suit]." He had been down that road before, he explained. "Now, in 9/11, 97 percent of all eligible claimants entered the fund. Only 94 people out of 3,000 decided to litigate."[1]

His decisions for the September 11 fund involved payments to victims' families that, at the core, involved setting a value on human life. For the BP spill, the payments required Feinberg to determine the long-term impact on individuals' livelihoods. How many oysters

in the future simply wouldn't be there to be harvested? How many hotels and restaurants might suffer permanent economic damage because of the lost business? How many boat captains might have to look for new ways of making a living?

"What these fishermen and others want to see are checks and compensation," he told *60 Minutes*. The average for each claim, in the first months of the program, had been $5,000, for six months of damages, one audience member at a public meeting pointed out. "And that, sir, is nothing to brag about." Morley Safer, the *60 Minutes* correspondent, noted, "They really go after you." Feinberg replied, "They do. They do, but it goes with the territory." He continued, "I mean, you go in there expecting that you're gonna receive that criticism. And woe be unto you if you hide. That is a mistake. You cannot hide."

It was a tough process—an emergency payment, for six months to help those affected meet short-term needs, followed by a final settlement. Feinberg found himself in the middle of constant, raucous town meetings, facing furious Gulf residents who had lost money and, in some cases, their livelihoods, from the BP spill. BP executives and representatives weren't there; Feinberg was, and he bore the brunt of their anger. His job was to listen, take it, weigh their claims, and make awards he believed were fair—awards that, in many cases, were less than residents thought they deserved.

"Do you believe what he's telling you?" Safer asked a group of fishermen.

One replied, "Absolutely not." Another said, "I think he's just another attorney talking his talk."

Safer replied, "But don't you think his record in dealing with 9/11 was an honest job?"

"To be honest with you, I could [not] care less about 9/11," one said. "I care about the oil spill. And I could [not] care less about anyone else's claims. I care about my claim. That's it."

Questions to Consider

1. What do you think of this policy—creating a fund to compensate individuals for losses from major national incidents, and then giving the power to decide compensation to one person, armed with a small staff?
2. What kind of person would you hire to perform such a function? Feinberg is not a permanent government employee. Rather, he's been appointed by the government as the "special master" for the September 11 victims' compensation fund and as the administrator for the BP compensation fund. This is a great deal of power to place in the hands of a single person. Do you think this is a good move?
3. Feinberg's background is as an attorney specially trained in mediation. He's taught extensively in law schools ranging from Columbia and Georgetown to Penn and Virginia. We're likely to encounter more mega-issues like September 11 and the BP oil spill that require the government to deal with tough compensation decisions. One of the tasks of public administration is to grow smart leaders who can do hard jobs in predictably high-quality ways. In fact, public administration exists to make sure we don't have to trust to chance in trying to do hard things well. What recommendations would you have for improving our chances for having top government leaders for important jobs like this one?

Note

1. "BP's Victims Fund: Kenneth Feinberg's Tough Task," *60 Minutes* (September 30, 2010), http://www.cbsnews.com/stories/2010/09/30/60minutes/main6915445.shtml?tag=contentMain;contentBody.

KEY CONCEPTS

artificial intelligence (AI)
at will
human capital
reskilling
skill gaps
telework

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SUGGESTED WEBSITES

The Government Accountability Office has carefully examined the problem of managing human capital for a long time; see its work at **www.gao.gov**. In addition, the Office of Personnel Management, **www.opm.gov**, is an important source for both data and analysis of the human capital issue. For independent studies of human capital in government, see the work of the National Academy of Public Administration, **www.napawash.org**.

PART IV

MAKING AND IMPLEMENTING GOVERNMENT DECISIONS

If organizational structure is the *basic building block* of administration, decision-making is the *central administrative act.* However, organizational theorists have long disagreed about how best to make administrative decisions—and which decisions are best. This section probes the competing theories of decision-making and applies those theories to the most important of all administrative decisions: the budget. In any public administration, most decisions are hollow without money to back them up.

Making good decisions, however, is not enough. Decisions do not, in themselves, produce *results.* They require skillful management by effective managers if the bold promises embodied in public policy are not to end in disappointment. This section concludes by examining how to translate decisions into results.

In Rocky Point, New York, Erich Horn walks the fire line during a controlled burn at a state park.

Source: Newsday LLC via Getty Images

11 DECISION-MAKING

Rationality and Risk

LEARNING OBJECTIVES

- Understand the rising power of "fake news" in government decisions
- Examine the role of information and values in decision-making
- Explore rationality as the foundation of decision-making, in theory and practice
- Explore public choice as an alternative theory for decision-making
- Examine bargaining as an alternative theory for decision-making
- Examine participative decision-making as an alternative theory for decision-making
- Probe the limits on decision-making and where existing theories fall short
- Understand the role that risk management can play in decision-making

In the early days of public administration, most early students focused on the *structure* of public organizations and how best to design them, so that they would work as efficiently as possible. Their work, in fact, shapes the ideas in Chapter 6 of this book.

In 1945, however, Herbert A. Simon made a very different argument. He argued, "The task of 'deciding' pervades the entire administrative organization quite as much as does the task of 'doing'—indeed, it is integrally tied up with the latter." A general theory of organization that will ensure correct decision-making must include principles of organization that will include correct decision-making, just as it must include principles that will ensure effective action.[1] It was a revolutionary idea and, ever since, it has transformed the way we think about public administration. Since Simon, public administration has become about both the *deciding* and the *doing*—and the two are very closely linked. It is impossible to understand administration without understanding decision-making.

But decision-making depends on the information that shapes these decisions the way that information shapes decisions—and there is growing controversy around information in government, especially in the realm of "fake news." There's universal agreement that good decisions depend on good information—and that better information would produce better decisions. If administration builds on decisions, if decisions rely on information, but if more information suffers under the charge that it's "fake," how can we trust the information on which those decisions depend?

THE CHALLENGE OF "FAKE NEWS"

Decision-making depends vitally on information—what facts decision-makers use in making decisions—and on values—how they weigh those facts. As Simon pointed out, doing is impossible without deciding. But we can't decide without establishing the foundations on which decisions rest.

President Donald Trump built a large part of his brand on criticizing reports with which he disagreed as "fake news." It was an especially clever term of art. He flipped the notion of

"news," which suggests trustworthy information, carefully reported, as "fake," which suggests the news might not be so trustworthy after all. If a decision-maker can raise questions about whether those facts can be trusted to begin with, it creates a very different conversation: Why debate the facts if the facts themselves come from suspect sources? And if the facts are suspect, wouldn't it be far better to rely on information that comes from sources a decision-maker—and the decision-maker's supporters—trust? Of course, complicated problems don't usually allow for such simple argument, and all public policy problems that matter are complicated. But the "fake news" idea has become important in shaping the public debate about how best to make decisions.

It is important, in three respects. First, although Trump popularized the "fake news" label, the idea is far broader and deeper. A Google search on the label found it produced more than 100 million hits, ranging from fact-checking by organizations like PolitiFact, which has been in business since 2007, to library guides that help users dig to the bottom of complicated stories. "Fake news" stretches far past Trump—and it is sure to long outlast him.

Second, "fake news" isn't an American phenomenon. The European Commission charged the Hungarian government in 2019 with making false claims about the role of the European Union. The British government created a "Rapid Response Unit" to counter stories that were false. And Russian President Vladimir Putin signed a law that made it a crime to spread "fake news." It outlawed sharing information that "exhibits blatant disrespect for the society, government, official government symbols, constitution or governmental bodies of Russia."[2]

Third, "fake news" isn't new. Public officials have always sought to create a version of the facts that supports their interpretation of events. Adolf Hitler had his own propaganda minister, Joseph Goebbels, and filmmaker Leni Riefenstahl was a master at crafting images that supported Hitler's perspective. In the United States, filmmakers produced scores of films to promote the country's point of view during the war. So did filmmakers in Australia, Canada, Great Britain, and the Soviet Union. In fact, governmental efforts go back as long as there have been governments. The Roman leader Octavius, later known as Caesar Augustus, spread tales about how his rival, Marcus Antonius, had been taken in by the wealth of Egypt and the wiles of its ruler, Cleopatra. That helped him wage his campaign to eliminate his rival—and it led to the 1963 classic movie *Cleopatra,* one of the greatest sword-and-sandals movies or one of the biggest bombs of all time, depending on one's perspective.

Following the January 6, 2020, insurrection at the U.S. Capitol, when thousands of protesters violently stormed the building, some commentators tried to reframe the issue. On Fox's *Tucker Carlson Tonight,* the host claimed that new footage that his staff carefully edited "does not show an insurrection or a riot in progress." In fact, Carlson said, "They were peaceful, they were ordinary and meek. These were not insurrectionists, they were sightseers."[3] Those who watched the assault on the Capitol on live television saw the violence of the moment, but Carlson made no secret of his effort to reframe the facts of the case.

In general, all leaders work hard to cultivate a vision of the facts to advance their political aims. The rising debate over "fake news" has made this an even more prominent issue in the 2020s.

What Should We Believe?

This debate raises truly fundamental issues. Elected officials, of course, want to make decisions that mirror their values and remain true to the positions on which they ran. Analysts who support them want to recommend decisions based on the best analyses and truest facts. Those goals often come into sharp conflict. That's because of an inescapable conflict: no one believes everything, some people trust nothing, and no one gets everything right all the time. That even goes for reporters, whose work is fact-checked. The *Washington Post,* for example, has a special email address (corrections@washpost.com) where readers can submit corrections. The *New York Times* has a web page devoted to listing each day's corrections (https://www.nytimes.com/section/corrections). And the Poynter Institute, a respected school for journalists, publishes an annual list of the top corrections issued each year by media outlets. Among them are:

- From the Brazilian news magazine *Veja,* "The candidate likes to spend his free time reading Tolstoy, and not watching Toy Story, as originally reported."
- From the British *Morning Star,* about a saxophone player, "In yesterday's paper in Chris Searle's jazz albums column, we incorrectly referred to Don Rendell as a 'terrorist' when it clearly should have been 'tenorist.' We apologise for any offence."
- From the *Wall Street Journal,* "An earlier version of this article incorrectly stated that Benjamin Netanyahu said Moses brought water from Iraq. He said the water was brought from a rock," as sharp-eyed readers of the Book of Exodus know.
- And, also from the *Wall Street Journal,* "An earlier version of his article misspelled Britney Spears's name as Briney Spear in a caption."[4]

The rise of "autocorrect" features makes these problem even worse.

Of course, no one walking the planet gets everything right at every chance, and that makes it harder to know who is right in any circumstance. The chance that any fact might be wrong at any moment makes it possible to question every fact at every moment. And that, in turn, feeds the "fake news" flames.

Adding to that are five inescapable traps in making public decisions. First, there is the suspicion that much analysis comes from *hired guns,* who receive their funding from outlets who know what conclusions they want to advance. As Stephen M. Walt argued in *Foreign Policy,* "Let's start by admitting that some 'policy analysis' is really just hack work by hired guns and intended solely to advance some narrow political cause. There's no commitment to truth or integrity in such work; it's indistinguishable from the basest political propaganda." He continued, "When you see somebody change their views like a weather vane, always pointing in the direction of whoever is paying the bills, there's good reason to question their objectivity and to be exceedingly wary of their recommendations."[5] Much of that analysis, of course, is never labeled as "work for hire," so it's impossible to tell how much of it represents straight analysis—and how much emerged from efforts to steer debate in a particular direction.

Second, policy analysts would, no doubt, violently disagree with Walt's point, but there is a sustained argument that policy analysis inevitably builds on value choices and, therefore, can never be fully objective. There is much serious work done in major think tanks, including the Center for American Progress, the Brookings Institution, the American Enterprise Institute, the Heritage Foundation, and the Cato Institute, and much of that work comes with the presumption that it *advances a particular ideology.* Major think tanks proudly proclaim the high quality and balanced nature of their work and, indeed, much of their work is unquestionably solid. Eagle-eyed Washington watchers, however, know that the Center for American Progress tends to advance liberal causes. Brookings studies often are on the left of center, while American Enterprise studies promote a right-of-center perspective. Heritage stakes out the right, while Cato tends to promote libertarian points of view. Genuinely nonpartisan groups do exist—think tanks like the Kaiser Family Foundation, the Pew Charitable Trusts, and the Woodrow Wilson Center—but often only the insiders know which groups stand where. That makes it even harder to distill underlying facts from ideological leanings.

Third, the effort to present facts collides with the issue that *all facts are fuzzy.* The only way we can be sure of what we know is to test a proposition repeatedly. Like Newton's ideas about gravity and Einstein's theories of relativity, being sure about what we know inevitably takes a very long time, through repeated experiments that lead to the same conclusion. Policymakers can never wait that long. In fact, it's often the case that the more urgent the problem, the sooner policymakers will need to act—and the more likely they must act before they know all they wish they could know. In 1979, the radioactive core in a nuclear power plant, sitting in the Susquehanna River near Harrisburg, Pennsylvania, suffered a serious accident. Governor Richard Thornburgh and federal officials from the Nuclear Regulatory Commission had to decide whether the risks to the nearby population were so great that they should order an evacuation—and to tell the residents that, if they did so, they might never be able to return to their homes again. The scientific analysis concluded that the accident was serious but that radioactivity was unlikely to escape, so the government officials never gave the evacuation order. They turned out to be right, but lucky. The nuclear core had partially melted down, in the most serious accident in the history of the nation's nuclear power industry. In such big issues, as well as smaller ones like whether to close schools when a big storm threatens, government officials never know all they wish they knew. The closer they sit on the bleeding edge of a policy question, the fuzzier the facts on which they must rely.

Fourth, it follows that the easiest way to solve problems is to *look in the rearview mirror.* The easiest way for analysts to be sure is to do their analyses on the bases of large datasets accumulated over a long period of time. However, that sometimes means that they make recommendations based on circumstances from five or ten years earlier. Sometimes, the basic facts are unlikely to change, like whether "scared straight" programs that expose teenagers to life behind bars to discourage them from committing more serious offenses actually work. (The evidence: they don't.)

But sometimes circumstances can change dramatically. Does increasing the minimum wage hurt employment? A famous paper by David Card and Alan B. Krueger found that when New Jersey increased its minimum wage, employment at minimum-wage jobs in fast-food restaurants

increased, compared with restaurants in Pennsylvania, where the minimum wage did not increase.[6] That finding drove a generation of policy debate. The puzzle, however: the study was published in 1993, based on data from the previous year. Are the basic characteristics of labor markets the same? Or have passing years changed the markets in ways that the earlier research might not hold up? There has been, of course, an enormous stack of research papers since, but they all raise the same question: can policymakers confidently make decisions about the future based on research based in the past? As was so often the case, New York Yankees great Yogi Berra had it right when he said, "It's tough to make predictions, especially about the future."

Fifth, the easiest way to attack these issues is to charge that they *solve the wrong problem.* It can often be tempting to attack an issue by looking carefully about what we already know, and using that knowledge to project the way forward. That can work well when the rearview mirror problem doesn't become paramount, when the questions remain the same, and when the data stay stable. When one—or all—of these circumstances change, however, the results can be dangerous. On the morning of September 11, 2001, nineteen individuals passed all the country's airport security checks, designed to detect people carrying guns aboard airplanes intent on hijacking them to foreign airports. These individuals didn't want to hijack the planes, however—they wanted to seize them and use them as terrorist weapons. They took control of the planes with box cutters, not guns, and even if the box cutters had been detected by the security screeners, the screeners would have waved them through, since small blades were legal at the time. The airport security process had become very good at preventing hijackings—but on September 11, that turned out to be the wrong problem. Smart decision-making requires a keen sense of understanding how problems evolve—and how to keep up with them.

Policy Decisions and Political Value

These challenges stretch far past the "fake news" battle. They cut, in fact, to the very essence of decision-making. Decision-making, just like everything that matters about public administration, is about bringing political values to life. That means that decision-making is always inevitably enmeshed in politics. Analysts sometimes try to replace political forces with their own work, to advance what they view as more rational and more efficient government strategies. Elected officials are certainly not opposed to that. In fact, they often reach out, eagerly and enthusiastically, for strategies that can help them negotiate the often-tumultuous political world they inhabit. But analysis only has meaning for them to the degree it has political value.

That isn't so much a note of criticism or cynicism. It is, rather, a bit of sober reality. It is not the job of analysts or administrators to determine policy but, rather, to support the work of elected officials and to carry their decisions into action (as we will see in more detail in the next chapter). Moreover, there is a rich debate about what truly makes for the most rational and effective decisions in the world of democracy and bureaucracy. This debate hinges on the role of *information* and *values.*

INFORMATION AND VALUES

Decision-making must tackle two questions. First, what *information* can decision-makers use in reaching their judgments? Information is the basic raw material of decisions, and decision-makers must acquire, weigh, and act on the data they collect. Second, how do political

values affect decisions? The sheer complexity of public problems and the overwhelming volume of information force decision-makers to simplify the context shaping their decisions. Doing so requires relying on political values. And, in turn, the very process of decision-making defines how those values take shape. That means information and values inevitably intertwine in the fundamentally important issues of decision-making.

Information

Simon contends that decision-making is the *central administrative act.* The lifeblood of decision-making is information. If decision-making is the central administrative act, information is the lifeblood of decision-making. It's possible to make decisions based on a momentary whim or on strong opinions. It's certainly possible to make decisions without any analysis at all and, of course, policymakers have made decisions for thousands of years without any policy analysis at all. But, as Max Weber pointed out long ago, administrators are hired not for their bias but for their expertise.[7] The ancient Romans, for example, built an aqueduct to carry water to a town in what is now southern France. The delivery system delivered 44 million gallons of water a day across a distance of more than 30 miles. From the beginning to the end of the aqueduct, however, the system dropped just 56 feet—often just 1 inch for every 1,500 feet in length. That was a remarkable feat of engineering at the time, and it remains standing today.[8] We expect administrators today to use *their* best expertise to make good decisions.

The problem, of course, is that information and the expertise it supports rarely appear as pure, abstract truths. Decision-makers typically must interpret reality. No one ever knows everything. Not everyone knows the same things. No one is sure that what they think they know is correct. And not everyone is willing to accept what others believe is correct. Information is often expensive, and some participants have an advantage because they have greater resources to get more information. Some of the players sometimes have a vested interest in keeping information hidden from others. But in this complicated stew, two aspects of information are vitally important: who has what information, and how they—and others—interpret the information they have.[9]

Values

Values matter in making decisions because problems are complex—so complex, in part, "that it is impossible to analyze them completely," as Robert D. Behn and James W. Vaupel argue. Furthermore, they contend, "Decisions depend upon judgments—judgments about the nature of the dilemma, the probabilities of events, and the desirability of consequences. Decision-making is inherently subjective."[10] No decision process can include everything. Any process that includes some questions but throws others out is, therefore, full of values. Decision-making must, therefore, assess how best to make such value judgments.

Moreover, because all decisions involve value judgments and all value judgments are political judgments, no public policy decision, no matter how strong the analytical support behind it, can endure if it does not win political support.[11] As Francis E. Rourke pointed out, political support for administrative decisions can come from two sources: an agency's decisions may enjoy a favorable opinion among the general public (what Rourke calls an agency's "mass public") or they may draw support from its narrow interests ("attentive publics" that have a "salient

interest in the agency"). Most effective agencies cultivate support from both.[12] The National Aeronautics and Space Administration (NASA), for example, works hard to promote the allure of space flight among the public. It also labors mightily to use its contractors to build support on Capitol Hill for the endless battles over financing its expensive programs.

General public support is important, but political support from an agency's attentive publics typically is much more crucial. Few private citizens have the resources or time to track or understand complex trails that most public policy decisions follow. In most decisions, only individuals who have the strongest interest are willing to devote the time and money needed to understand and influence the issues. This means, of course, that a relatively small group of experts and interests dominate most administrative decisions.[13] That often pits the interests of the public at large against the particular interests of an agency's attentive publics. The balance of this support is often "inherently unstable," as Stone puts it. As a result, decision-making often sits in the midst of "border wars waiting to happen."[14]

The complexity of decision-making in bureaucracy has led to many different approaches. In this chapter, we explore four approaches, and we examine how each deals with the fundamental problems of information and values: (1) the **rational approach**, which seeks to maximize efficiency; (2) the **bargaining approach**, which seeks to maximize political support; (3) the **participative decision-making approach**, which seeks to improve decisions by intimately involving those affected by them; and (4) the **public-choice approach**, which attempts to substitute market-like forces for other incentives that, its supporters argue, distort decisions. No model has universal support. Each model has powerful proponents.

RATIONAL DECISION-MAKING

The most fundamental theory of decision-making builds on rationality: seeking the greatest return for any investment or, more simply, getting the biggest bang for the buck. **Rational decision-making** builds on the work of microeconomists, who hold efficiency as the highest value. It seeks to produce the most output for a given level of inputs—or, to use the minimum amount of inputs needed to produce a given amount of output. In short, the goal is to find the most efficient decision. The theory is so simple that it's easy to understand why it's a classic.

Basic Steps

The rational decision-making approach follows five basic steps:

1. *Define goals.* Rational decision-making defines the problem we want to solve and the goal we want to achieve. For example, a policy analyst might seek to determine the best way to reduce automobile accident deaths by 10 percent, reduce costs of garbage collection by 5 percent, or reduce air pollution below dangerous limits.
2. *Identify alternatives.* Once we define the goal, the next step is to identify alternatives for achieving the goal. It might be possible to reduce highway deaths by installing new

guard rails, encouraging safer car interiors, or making it impossible to text and drive at the same time.

3. *Calculate the consequences.* We then assess the alternatives by measuring the costs and benefits of each one, in dollar terms. We also consider indirect benefits and costs—often called **externalities,** or **spillovers**—that relate to other goals. For example, a highway route that is best in terms of the stated transportation goal may destroy parks and increase downtown traffic congestion.
4. *Decide.* Once the analysis is finished, the decision-maker chooses the alternative with the most favorable balance of benefits to costs.
5. *Begin again.* Systems analysis is not a once-and-done process. Instead, analysts see it as an iterative process. Every solution generates the next set of problems, and we always seek to learn from the past.

The rational approach appeals to common sense: any sensible person will choose the most rational (and efficient) route to his or her goal. Who, after all, wants to be irrational?[15]

Appraisal

Because the rational approach to decision-making seems so straightforward, it has a large following. Decision-makers using the rational approach, however, must ensure they get enough good information and sort out competing values. An important part of this process is figuring out what "good enough" means.

Information

Rational decision-making requires an extraordinary amount of information. Considering the full range of policy options is, of course, impossible. So, too, is understanding all their benefits and costs. In fact, some critics have argued that the information demands are so intense as to undermine the theory's power. As Charles E. Lindblom, perhaps the method's strongest critic, argued, "Men have always wanted to fly. Was the ambition to undertake unaided flight, devoid of any strategy for achieving it, ever a useful norm or ideal? . . . Achieving impossible feats of synopsis [comprehensive analysis] is a bootless, unproductive ideal."[16] Moreover, by trying to do the impossible, Lindblom worries, "they fall into worse patterns of analysis and decision." The goal itself is impossible, the gaps are rarely defined, and the result is an uncharted gap in the analysis whose effects are unknown.[17]

In real life, of course, everyone knows it's impossible to be completely comprehensive. Decision-makers instead simplify the process: (1) they screen out the silly options, minor ideas, and proposals that do not fit the goals of policymakers, and then they restrict themselves to a few major alternatives; (2) they stop searching for options when they come upon a satisfactory alternative, even if they believe that further searching might eventually turn up a better one. James G. March and Herbert A. Simon called this approach **satisficing**.[18]

But that leaves us at a difficult place. If we are going to rely on stopping short, how far should we go? How much is enough? The rational model has great power in its simplicity, but there are big challenges in trying to figure out how best to follow it.

Values

Rational decision-making also depends heavily on the values that decision-makers and analysts choose. Something has to be left out, and that inevitably is a question of values. But whose values should rule? The responsibility of public administrators is to execute the policies made by decision-makers, but the laws and ordinances they pass are usually vague. Administrative decision-makers can make their best guess about what the legislature intended (and, of course, risk being told they are wrong when, as is inevitable, someone disagrees), or to apply their own values in defining the goals (and risk undercutting the very objectivity at the core of rational decision-making). In either case, values inevitably intrude into a process designed to be rational.

The rational approach is thus very attractive because it offers an elegant prescription for how to make the best decisions. In practice, decision-makers can never fully pursue it, because values inevitably intrude on the effort to make value-free decisions. Rational decision-making is a simple and powerful tool—until it is not.

PUBLIC CHOICE

Spinning off the rational approach to decision-making is a theory of both decisions and bureaucracy based on individuals. This has been labeled as *public choice, rational choice*, or *principal-agent theory.* This theory builds on the assumption that individuals are rational. Rational individuals seek to maximize whatever is important to them—what economists call utility. The most rational thing, according to the theory, is to promote one's self-interest.[19]

This theory of decision and bureaucratic action thus begins with the individual. If we can identify what individuals want—their utility functions—we can predict their behavior. Such predictions are often quite sophisticated, including formal mathematical equations. The behavior of individuals then builds into models of organizations, by assuming that bureaucracies can be understood as a series of relationships between individuals. There are principals (individuals who want to get things done) and agents (individuals who are responsible to the principals for doing them).[20] If we can understand the goals—the utilities—of principals and agents as well as the complexities of their relationships, we can make predictions about how bureaucracies will behave.

As Christopher Pollitt pointed out in 2016, "Maximizing utility/satisfying preferences may sound like a beautifully simple proposition but it is actually very complicated." Pollitt argues that the following are some of the most important puzzles:

- *Utility.* Determining "utility" often turns out to be deceptively complex. Sometimes it might even include the pursuit of "other-regarding" issues, like altruism and loyalty. But often it focuses on "self-regarding," including maximizing things that are important to individuals, like income and power.

- *Stability.* The more stable these preferences are, the stronger the rational-choice models are. However, ongoing political battles and individuals' own circumstances often cause preferences to change. The more they change, the harder it is to make predictions.
- *Effects.* For the model to work, individuals need to be able to make good predictions about what results will come from the decisions they make. In practice, however, it's very hard to know enough, especially about the turbulent world of politics, to predict what consequences will flow from which decisions. Rational-choice theorists often tackle this problem by assuming limits on information or boundaries around rationality, but that can sacrifice theoretical precision for connection with a bureaucracy's operations.
- *Tests.* Because it's hard to know what the preferences of individuals actually are, it's often very hard to test whether the predictions of the rational-choice approach actually match operating reality.[21]

The public-choice theory has thus produced a vast and rich theoretical foundation for understanding the dimensions of public administration. It has also helped counter the common critique that public administration is a collection of ideas without rigor.

Appraisal

Public choice, as we saw earlier in the book, has the great advantage of a simple idea that leads to straightforward propositions. It has also led to policy prescriptions—to turn over as many public programs as possible to the private sector and, when that is impossible, to bring private-sector-style competition within the government. But underlying these debates are important issues about information and values.

Information

The attractiveness of the public-choice approach lies in its embrace of the market. As Pollitt pointed out, however, the approach also depends on information, and there are three problems in obtaining the information needed. One is **information asymmetry**. In complex systems, it is inevitable that some people will know more than others, and it's likely that subordinates (agents) will know more than their superiors (principals). Those working the day-to-day operations of government programs will almost always have better frontline information than those designing the programs. That can lead to **adverse selection**, where supervisors' decisions are not as good as they would be if the supervisors had better information. This can also produce a **moral hazard** problem. If supervisors cannot know enough about what their subordinates are doing, this can lead subordinates to do things that don't match the supervisors' goals. That, in turn, can allow the administration of government programs to drift off course, without the supervisors knowing it until small problems explode into big crises.

This constellation of issues can also lead to big policy problems. Many of the lending issues at the core of the 2008 financial crisis stemmed from information asymmetry and moral hazard. Some lenders engaged in unsafe practices, like providing mortgages for more than the home's

worth to people who couldn't pay them back. Government regulators lacked enough information to determine what was happening until it was too late—and some lenders who made these loans were able to pass the costs off to others. The tangled story was captured in the 2015 movie *The Big Short*, which won an Oscar for its screenwriters.

Values

Critics have long argued that the simple assumptions of public-choice theory don't capture reality. As Steven Kelman contended, this approach is a caricature:

> It ignores the ability of ideas to defeat interests, and the role that public spirit plays in motivating the behavior of participants in the political process. The "public choice" argument is far worse than simply descriptively inaccurate. Achieving good public policy, I believe, requires . . . a norm of public spiritedness in the political action—a view that people should not simply be selfish in their political behavior. . . . The public choice school is part of the assault on this norm.[22]

The approach unquestionably has helped advance the theory of public administration. But it's proven more troublesome in driving government reform. Relying more on markets has brought a new collection of problems to government, as we will see in Chapter 13. Furthermore, the approach undervalues the power of public ideas and the public interest: the concept that some things are good for all of us and that decision-makers seek to achieve those things.[23]

BARGAINING

An alternative to the rational approach to decision-making is bargaining. Charles E. Lindblom argued that the rational approach is paradoxically less rational—and that it is more rational to bargain over a decision that can attract political support. Lindblom offered a simple prescription for the analysis of public decisions: incrementalism.[24] It is best, he said, to limit that analysis to a few alternatives instead of trying to judge them all; to weigh one's values along with the evidence instead of holding them separate, as the rational approach would suggest; and to concentrate on the immediate problems to be solved rather than the broader goals to be achieved. The great goals are almost always beyond reach, especially in the short run, and problems presented in smaller chunks are easier to define, diagnose, and solve. Furthermore, it is easier to build support for a series of incremental changes from the current situation and to correct any errors that might creep in.[25]

Decisions thus emerge as the product of bargains. In the bargaining game, the perspective of each player is shaped by the player's position: "where you stand depends on where you sit," as the saying goes.[26] Who wins depends on who has the strongest hand and who bargains most effectively.[27]

Appraisal

The bargaining approach has drawn withering fire from its critics, especially among proponents of the rational approach.

Information

Critics contend that the bargaining approach is dangerously incomplete and deprives decision-makers of important information.[28] The political process, they contend, can be counted on to present decision-makers with political opinions, but it is far less useful in identifying which alternatives are likely to be the most efficient. The result, critics suggest, is that scarce resources can be wasted. When money is tight, bargaining over public programs might produce common ground only by spreading money among the combatants. One economist, Charles Schultze, acknowledged that "it may, indeed, be necessary to guard against the naïveté of the systems analyst who ignores political constraints and believes that efficiency alone produces virtue." But in taking aim at the incrementalists, he concludes, "it is equally necessary to guard against the naïveté of the decision-maker who ignores resource constraints and believes that virtue alone produces efficiency."[29] It is possible, Schultze argues, to take account of political realities while doing systems analysis.

Lindblom replied that systems analysis cannot be done and argues that his decision-making approach is indeed analysis, but analysis taken in small, repeated bites. Lindblom's critics, however, counter that his incrementalism approach does not really tell the analyst just how comprehensive to be and how much analysis to do. How large should an increment be? How many alternatives should a decision-maker consider? The only answer is a circular one: the increments should be small enough and the alternatives few enough to produce political consensus. A decision-maker knows that the approach is right if a consensus forms and wrong if it does not. This formula provides decision-makers with a weak guide, but it also matches reality.

Values

The bargaining approach is obviously at its strongest in *describing* how decisions are made and how decision-makers build political support for their judgments. The political strength of different players in this approach, however, varies greatly, so some players have a far stronger advantage than others. Moreover, when insiders bargain over their differences, it is easy for the broad public interest to be forgotten. Those who follow an issue closely can shape decisions before the general public even knows that a major decision is on the table. Interests with enough money can have a disproportionate say in these decisions.

Bargaining thus provides a useful description of how decisions are made. And it asserts the importance of values in decision-making, in stark contrast with the rational model.

PARTICIPATIVE DECISION-MAKING

Beyond the theory of incrementalism is another approach even more based on politics: involving those most affected by policy decisions in the process of making them. Who, after all, is most likely to know better what the best decision looks like? But this simple principle raises a host of questions.

What does *participation* mean? It means involving stakeholders in the decision-making process. These stakeholders include: (1) the employees of the organization making the decision; (2)

the persons whom the organization serves or regulates (the clientele); (3) the taxpayers whose pocketbooks the decision will affect; and (4) the whole public, or at least the voting public.

Who could object to having the decisions be enlightened by the views of those who have to live with them? The problem, of course, is insiders often have different views than either policymakers or citizens. Moreover, there are often strong pressures to keep noisy, dangerous, or otherwise contentious programs "not in my backyard," or **NIMBY**, for short. Many citizens might resist having a drug treatment center located in their neighborhood, for example. And it can work in reverse. When shrinking populations leave neighborhoods with more schools or fire stations than makes economic sense, residents often fight to keep them, as Detroit's leaders found out.

With the rise of social media, many governments have created blogs and have conducted quick, if unscientific, online polls through tools like SurveyMonkey. Twitter and Facebook have quickly become governmental institutions, as public officials work to keep up with the torrent of virtual communication. Neighborhood meetings and town halls continue to flourish. Nearly everyone finds these processes valuable, and nearly everyone has a way to participate in some form or other. The lasting question is what impact universal participation has on decision-making—and how this participation might improve the quality of the decisions made.

Appraisal

There has always been a tension between involving outside stakeholders, a process that is always messy, and holding decisions close, a process that risks undermining broad political support.

Information

Few insights into the management of public programs are better than those of the persons who must administer them, and few observers of any program's effects have keener insights than the citizens most affected by them. The very wealth of this information is a problem, however, because it typically flows to decision-makers as a large, undifferentiated mass, with no easy clues about which information is most important. Too much information can sometimes be as bad as too little. That can encourage decision-makers to see only what they want to see.

Values

In sorting through the vast amount of information that the participative approach produces, decision-makers must also confront important value questions. The approach spawns these recurring dilemmas:

1. *Self-interest versus no interest:* whether to serve a narrow clientele dedicated to protection of its own self-interest or a broad, mixed clientele with a less keen interest in the policy
2. *Too much versus too little representation:* whether to allow direct participation in decision-making by all members of the clientele who wish to participate—at the risk

of assembling an impossibly large group to deal with—or direct participation only by those who get appointed or elected to committees, councils, or boards that are officially assumed to represent the clientele—but that may not be very representative

3. *Too much versus too little power:* whether to give formal or informal power to citizens for making governmental decisions—raising the problem of who looks out for the public interest—or have them simply provide advice (and demands) to public administrators who weigh those views with other considerations and make the actual decisions—but who may not take that advice seriously.

These trade-offs are hard, but they have big implications for responsive and effective policymaking. On the one hand, **participative decision-making** has led to new public access to governmental decisions and to the creation of a new cadre of civic leaders. On the other hand, the system has created some avenues of patronage and new officials seeking to protect their own positions. The record is mixed.[30]

LIMITS ON DECISION-MAKING THEORIES

No single approach offers a clearly best solution to the problems of administrative decision-making. Each approach has its own special virtues and its own special problems. All decisions have this in common: they are made by collections of human beings, each of whom operates in a world full of complex pressures, contradictory information, and diverse advice.

Moreover, the psychological pressures on decision-makers, at every level, can be enormous. As two social psychologists, Irving Janis and Leon Mann, point out, human beings should be seen being "not as a cold fish but as a warm-blooded mammal," one "beset by conflict, doubts, and worry, struggling with incongruous longings, antipathies, and loyalties, and seeking relief by procrastination, rationalizing, or denying responsibility for his own choices."[31] Decision-making, in every approach, is hard. There is the enormous uncertainty surrounding complex issues, bureaucratic pathologies that distort and block the flow of important information, and recurrent crises that force decision-makings to reach important conclusions quickly.

Uncertainty

One important issue is uncertainty: what the problems are, who is most affected by them, which solutions are most likely to be most effective, and what results a decision actually produces. Congress, for example, has charged the Federal Reserve with making monetary policy, but especially with the rise of smartphone wallets, contactless credit cards, ride-sharing apps, and Venmo sharing, it is possible for many people to go months without spending currency, and that makes it ever more difficult to define what "money" is. Then there's the matter of "crime." There's a huge difference between jaywalking and shooting, between crimes against property and crimes against people. And many crimes simply go unreported. Mayors always promise to make their cities safer, but it can be tough to define what "safe" means and how to know how much progress is being made.

More and more, decision-makers must tackle new problems. On the morning of September 10, 2001, there were few experts on "homeland security," an issue that became of fundamental national importance the next day. And sometimes they have to revisit old problems. Measles was declared "eliminated" in the United States in 2000, but that was before "anti-vaxxers" waged a campaign against childhood immunization only to see measles reemerge as a sometimes deadly illness for children. Even what constitutes a "problem" is highly uncertain, for problems (like whether to allow eighteen-year-olds to drink alcohol) emerge in the eye (and values) of the beholder.

Uncertainty surrounds every important decision—and every decision-maker must make decisions from which there is no going back. That is the lesson of Julius Caesar at the Rubicon River. Roman law forbade him from bringing his army back into Rome, for the Romans knew that armed emperors would be impossible to resist, and the Rubicon was the boundary. But as Caesar returned to Rome after a successful military campaign in 49 BCE, he decided to challenge the law and Rome's rulers. Once he crossed the boundary, the Rubicon River, with his army, conflict was inevitable. As Plutarch, an ancient Greek writer, explained:

> [Caesar] wavered much in his mind . . . often changed his opinion one way and the other . . . discussed the matter with his friends who were about him . . . computing how many calamities his passing that river would bring upon mankind and what relation of it would be transmitted to posterity. At last, in a sort of passion, casting aside calculation, and abandoning himself to what might come, and using the proverb frequently in their mouths who enter upon dangerous and bold attempts, "The die is cast," with these words he took the river.[32]

The phrase, "the die is cast," in fact, has had important meaning ever since. Even the ancient Romans liked to play games with dice and, as every gamer knows, there's no pulling the dice back once the player throws them. That's one big certainty in the world of uncertainty in decision-making. Decisions often have a stubborn finality for those who suffer loss or risk of life and for those whose livelihoods are impaired. A decision-maker doesn't know what results a decision will produce, and the burden of uncertainty weighs all the heavier on decisions that are irreversible.

Information Pathologies

Bureaucratic decision-making, moreover, relies on the flow of information, and the very structure of bureaucracy can distort the flow of information as it moves upward through an organization. It is impossible to pass to the top all information collected at the bottom—top decision-makers would quickly become overwhelmed and even more uncertain about what is actually occurring. Bureaucracies therefore condense information at each level along the way. However, this *condensation* often leads to *filtering*. Public officials tend to pass along the good news and suppress the bad. At best, this tendency can distort the information flow; at worst, it can completely block early warnings about emerging problems. Furthermore, officials' own professional training can attune them to some kinds of information more than others. An engineer, even one who has assumed a general managerial position, still may attend more carefully to engineering problems than to others that might be more pressing.[33]

Sometimes these pathologies cause disasters. On the night before NASA's launch of the space shuttle *Challenger* in January 1986, for example, engineers for one NASA contractor argued furiously that the cold weather predicted for the launch site the next morning could be dangerous. Mid-level NASA managers rejected the advice and refused to pass it on to top launch officials. The engineers proved tragically good prophets, and the shuttle exploded seventy-three seconds into the flight. Officials with the responsibility for giving the "go" for the launch did not learn about the worries the engineers had expressed that night until the investigation into the disaster began.[34]

Decision-makers obviously cannot make good decisions without the right information, so they often create devices to avoid the pathologies. They can rely on outside sources, ranging from newspapers to advice from external experts. They can apply a counterbias, using their past knowledge about information sources to judge the reliability of the facts they receive. They can bypass hierarchical levels and go right to the source; some management experts, in fact, advocate "management by walking around," getting the manager out from behind the desk and onto the front lines to avoid the "nobody ever tells me anything" problem.[35] (That, of course, has become more difficult with the rise of remote work, and management experts are working to develop a substitute.) Some mayors have created "CitiStat" processes, in which they set goals, hold periodic meetings to check on results, identify problems, and ask managers for rapid-response follow-up. That process helps weed out the hierarchical filtering of information, but it also creates strong incentives for gaming the information to put performance in the best light.

In fact, attempts to rid the information chain of pathologies can often create new problems. Increasing the supply of information can clog internal channels of information and overload top officials.[36] The problem is rarely having too little information but being overwhelmed by too much. In fact, top NASA officials had been informed earlier of the problem that caused the *Challenger* disaster, "but always in a way that didn't communicate the seriousness of the problem," a House committee found.[37] The same lack of urgency resurfaced to produce a second shuttle accident. The key to resolving such problems of information management is redundancy: creating multiple sources of feedback that allow decision-makers to blend competing pieces of information together into a more coherent picture—without wasting scarce resources on too much redundant information. Decision-makers therefore have needed to develop different approaches for dealing with values (see Table 11.1). The challenge to redundancy, of course, is finding a way to deal with even more information.

TABLE 11.1 ■ Approaches to Decision-Making

Approach	Information	Values
Rational	Collect comprehensive information to maximize rationality	Are assumed
Public choice	Use self-policing forces of the market	Use self-interest of players
Bargaining	Limited	Are struggled over
Participative	Acquired through those affected by decision	Focus on clients' values

Information technology systems have helped decision-makers deal with these challenges. The internet and the machines that operate off of it provide great opportunities for processing vast quantities of information. But, just as surely, they have also generated even more information. If the twenty-first century is the information age, one of its most important features is that every effort to manage information creates even more of it—and challenges decision-makers even more to deal with the flood of facts that surround them. That is one of the forces feeding "fake news," and the instinct to dismiss information that proves inconvenient or that conflicts with a decision-maker's values.

Crisis Decision-Making

Crises often precipitate decisions. Superstorm Sandy's horrific assault in late 2012 on the northeast, with widespread wind damage and flooding, prompted a fundamental rethinking of the nation's infrastructure and its zoning policies in flood plains. When flooding threatened the Strategic Air Command's headquarters in Nebraska, top Air Force commanders developed new strategies for raising critical defense installations.[38]

Crises can be managed. Irving L. Janis argues, "vigilant problem solving" can reduce their risks, as managers aggressively seek to formulate the problem they face, collect available information, reformulate the situation, and frame the best options.[39] When Pennsylvania Governor Richard Thornburgh faced the potential of a nuclear disaster during the Three Mile Island nuclear power plant crisis in 1979, he had to follow precisely these steps in finding his way. Nevertheless, the sudden appearance of big problems, along with the big risks that can come from unexpected challenges and the high risks that can come from making the wrong decisions, pose enormous problems for decision-makers.

MANAGING RISK

No matter how hard public administrators try to make good decisions, problems can arise. Sometimes that's because administrators make the *wrong* decisions. Yet sometimes it's because problems pile up behind the scenes, either because administrators never see them coming or because they don't have the capacity to solve them. Sometimes it's because government tries to do hard things, and with hard things an enormous amount of uncertainty is inevitable. Hard things bring risks. And risks can create big costs.

Avoiding—or minimizing—those costs is the challenge of **risk management**. But we need to be frank. Most people, including many experienced professionals inside big agencies, find risk management boring. In fact, on one episode of the long-running sitcom *Seinfeld,* the writers were looking for the most boring topic they could think of for an episode. They settled on risk management. Risk management is often ignored or, when organizations do pay attention to it, it is an afterthought toward the end of meetings, when participants find their minds drifting off to other problems, or it is an issue delegated to risk managers who then are relegated to the side of the action.

That, however, is a huge mistake. Disasters destroyed two NASA space shuttles, the *Challenger* in 1986 and the *Columbia* in 2003. Hurricane Katrina devastated the Gulf Coast in 2005. Neither the federal, state, nor local governments were prepared to respond. In 2010, a massive explosion on the *Deepwater Horizon*, an oil-drilling platform in the Gulf of Mexico, killed eleven workers, spilled tens of millions of gallons of oil, and caused billions of dollars in damage. (The story became a major movie in the fall of 2016.) Risks from Hurricane Harvey put much of Houston underwater in 2017, and the failure to insulate their information systems from online blackmailers shut down computer systems in a series of local governments. Risk is a backwater issue—until a crisis pushes it to the front of a decision-maker's view.

And that leads to the basic questions of risk management: Can we do a better job of anticipating such problems? Can we either prevent them or improve our ability to respond? And, more broadly, can better managing such large-scale risks improve the overall performance of government?

Many risks are *external* to the organization. They can range from cyberattacks to an aging workforce. Other risks are *internal*, such as inadequate financial controls or employee training. External and internal risks can combine to create a wide range of costs to organizations: *hazards*, such as fire and theft; *finances*, including cost overruns and credit damage; *operations*, including poor service and cybersecurity breaches; *strategy*, including shifting demographics and technology; and *reputation*, including perceptions of government mismanagement (see Table 11.2). These are all big problems. The challenge, Stephan Braig, Biniam Gebre, and Andrew Sellgren pointed out, is this: "By its nature, risk management comes under scrutiny only when it fails."[40] Needless to say, that kind of failure is bad—but if it truly were needless to say, the failures would not recur. Government needs a more effective risk management strategy.

Steps toward Effective Risk Management

What would such a system look like? A careful study of risk management by McKinsey in 2011 suggested five steps. Let's consider those steps and their broader implications:[41]

1. *Establish transparency.* Managing risks first requires understanding them. Organization managers need to begin by exploring and identifying the risks that could affect their performance. They need to understand which risks matter most. And they need to communicate them, both internally (to other members of the organization) and externally (to key stakeholders, including those affected by the risks, like citizens, and those who make policy about the risks, like legislators and elected executives). The biggest consequences often come from risks that organizations don't anticipate—or risks they recognize but whose implications they don't fully grasp. The failure of a simple rubber insulation ring caused the explosion of the space shuttle *Challenger*. Engineers understood that the ring was not as flexible in colder weather. But neither they nor launch officials fully understood that temperatures below freezing could cause the ring to fail. The lack of transparency—their inability to see the risks and its implications—proved catastrophic.

TABLE 11.2 ■ Examples of Risks That Organizations Face

Examples of Types of External and Internal Risks Organizations Face
***Hazard risks*,** such as: • Liability suits (e.g., operational, products, environmental) • Fire and other property damage • Theft and other crime
***Financial risks*,** such as: • Price (e.g., interest rate, commodity) • Liquidity (e.g., cash flow, opportunity costs) • Credit (e.g., default by borrowers)
***Operational risks*,** such as: • Customer service • Succession planning • Cybersecurity
***Strategic risks*,** such as: • Demographic and social/cultural trends • Technology innovations • Political trends
***Reputational risks*,** such as: • Procedural and policy mistakes by staff • Perceptions of misuse of government resources • Fraud or contract mismanagement

Source: Douglas W. Webster and Thomas H. Stanton, *Improving Government Decision Making through Enterprise Risk Management* (Washington, D.C.: IBM Center for the Business of Government, 2015), p. 6, http://www.businessofgovernment.org/sites/default/files/Improving%20Government%20Decision%20Making%20through%20Enterprise%20Risk%20Management.pdf.

2. *Create a risk constitution.* Once organization managers understand risks as well as they can, they need to understand who is in charge of them. The McKinsey authors called this a "risk constitution." Which risks should managers decide that they "own," that they are responsible for understanding and solving? Which risks should they work to transfer to others? What capacity do they need to deal with the risks in their portfolio? The key is to understand that someone must be responsible for every risk that matters, and that each person responsible must have the capacity to deal with it. It does no good to see a problem and to assume that someone else will solve it.

3. *Change what matters most.* A risky part of risk management is trying to fix *everything* connected with the underlying risk. Not only is that impossible; it can also undermine support for the risk management approach, since the more change it imposes, the more resistance it will generate. But, as the McKinsey team suggested, some fundamental processes are likely to be far more important than others in reducing the risks an organization faces. Identifying those core processes, and fixing them first, can substantially shrink risk. In many cities, busy intersections near fire stations can increase the response time. Some cities have installed special systems on traffic lights at those intersections to turn them green until the firefighters have passed. That way they're not sitting in traffic as they've barely pulled out of the station.

4. *Make every risk management issue someone's business.* One lesson is that risk management must be everyone's business. But it's often the case that if something is everyone's job, it becomes no one's job—especially if stakeholders see the process as getting in the way of the day-to-day activities of their core mission. To be effective, risk management must be the concentrated focus for a unit within the government, both to make sure it's on everyone's agenda and to deal with the inevitable risks that cross over multiple organizations within the government. No one wants to see released prisoners return to jail. But ensuring that they don't return requires coordinated work by parole officers, job-training programs, housing and welfare programs, and medical programs—a network of services to help released prisoners cope with and solve the often difficult challenges they face, which often led them to prison to begin with.

5. *Build a risk culture.* Risk management is one of those organizational principles that attracts broad agreement and, sometimes, little action. Managers can easily come to see it as an add-on to their job, instead of a core part of it. In practice, risk management rarely works well unless it becomes part of everyone's business—part of the organization's culture. That, of course, lies at the core of local policing and Air Force pilots. They know that every time they go to work, they face life-and-death risks, and they do all they can to manage them, from checking their gear to maintaining constant awareness of their circumstances. Risk surrounds the work of most government employees—often not life or death, but important nonetheless, ranging from effective snow removal, to avoid putting drivers at risk, to processing Social Security payments, to ensure that retirees can pay their bills.

In this light, risk management isn't quite so boring after all. We create government programs, after all, because we collectively decide that we want to do something important. If we fail to do it—or fail to do it well—we not only waste money and often put lives on the line. We also undermine the faith and trust of citizens in their government. Risk management thus is about both organizational change and organizational fidelity: how to make public administration work as we expect.

Overcoming Barriers to Risk Management

If risk management is so important, why is it so hard? There are several reasons.

First, it's often difficult to get and then sustain the attention of top managers.[42] So many big issues—both policy debates and immediate crises—crowd the desks of senior executives. The truly critical short-range issues tend to crowd the very important long-term problems off the agenda. It's little wonder that senior executives spend their days fighting what's at the top of the list. However, what's most urgent isn't always the most important. The riskiest thing about risk management is that failures are often huge—and top managers never see them coming. It takes an effective risk management system to ensure the organization can prevent big problems or minimize their costs. Top managers might not spend a lot of time doing risk management themselves, but they need to spend enough time on it to make sure it gets done.

Second, organizations are fragmented, while risk management requires a broad, coordinated view. That can create big barriers to effective risk management. Analysts often see this as the result of organizational "silos"—tall structures often unconnected with the rest of the bureaucracy. Risks, however, often flow across government programs and organizations, and that makes it even harder for administrators to manage them. Moreover, as we will see in Chapter 13, some of government's most important risks flow from programs that cross organizational boundaries. It's especially easy, in such programs, for government's managers to violate the fourth principle above—making every risk management issue someone's business—because it's especially easy for managers to assume that someone else will be taking care of a problem. That often means no one is taking care of it—and risks can escalate.

Third, if an organization is open and transparent on the risks it faces, that very transparency can create targets for political attack. Identifying risks—things that could go wrong—can open administrators up to political attack. Legislators and reporters can single out such problems and press on what more isn't being done to get ready for problems. If problems occur—and, in complicated programs, problems are inevitable—a paper trail documenting known risks in advance is sure to draw fierce fire. If administrators knew about the problem, why didn't they fix it when there was time? That was an especially important argument after Hurricane Katrina struck. After all, experts for years had warned that a big storm could swamp New Orleans. After Katrina hit, they asked why the city wasn't better prepared. One way to avoid such after-the-fact attacks is to ensure there is no paper trail to be found. Minimizing risk management means there is no risk analysis to be discovered later—and no document to show that managers knew about and should have prevented a problem. That, of course, only ensures that the problems of risk grow even greater.

These puzzles get to the core of the problem of accountability, to which we'll return in Chapter 15. There is *always* politics in public administration, and competing political forces will *always* look for political advantage in any circumstance. The bigger the stakes, the more they're likely to seek bigger political advantage. In many ways, therefore, the biggest risk of risk management is that those inside the system will conclude that doing risk analysis is just too risky: that it unnecessarily exposes them to additional political attacks. However, as we saw at the beginning of Chapter 1, failing to consider the risks and consequences of big decisions can lead to enormous, even catastrophic, results.

CONCLUSION

We have examined several approaches to administrative decision-making: rational analysis, public choice, bargaining, and participative. Though in some measure all of these approaches have been put into practice, they all are expressions of theories—full of assumptions—that have tended to harden into dogmas. They also offer, as Table 11.1 shows, a wide range of tactics for dealing with the lasting problems of information and values.

The approaches share, in varying degrees, certain basic defects. This chapter discussed some oversights, especially uncertainty, information pathologies, and crisis, but there are others, such as how a problem or a need for a decision is discovered, formulated, and put on the agenda (most approaches start with a known and stated problem or need). Furthermore, nondecision—the decision not to decide or the avoidance of an issue altogether, whether conscious or unconscious—often has consequences as great as those of a decision itself. When senior Bush administration officials received the President's Daily Brief on August 6, 2001, that warned, "Bin Laden Determined to Strike in U.S.," no one took action. The brief was unclear about how or when, and it wasn't clear from the brief what the administration could or should do. But this was a case where a nondecision had catastrophic consequences just a month later.

More basic are two problems. First, each approach tends to focus on a single value, such as the focus of economists on efficiency in systems analysis, the attention of public-choice advocates on private-sector competition, incrementalists' dedication to maximizing participation, and participative managers' commitment to full public voice in decisions. These are all important values. However, any approach focused on just one of them is sure to be inadequate for the complex reality of the political world.

Second, it can be difficult to understand what is required to make an approach succeed. Sometimes, as in systems analysis, the conditions may not exist in the real world, and the theorists do not explain very well how to adapt their approaches to reality. Often, however, the adaptations may drain the approach of its power. For example, attempts to adapt the rational decision-making approach by trying to absorb elusive policy goals, the shortage of sufficient quantitative data, the distortion that inevitably comes from converting qualitative goals or accomplishments into measurable terms, and the behavior of members of Congress may lead to so truncated a version of the rational approach that it is less useful than, say, the more reality-oriented incremental approach.

It is possible, of course, to identify which approaches work best for which problems.[43] The rational approach, for example, tends to work better for issues with clear objectives, quantitative measures, and minimal political pressures. However, even if we can somehow determine which approaches best fit which problems—itself a very tall order—we are left with the puzzle of how to put these different tactical systems to work as a coherent whole. These problems, of course, become even greater when put in the context of risk—programming and political—that always surrounds the tough questions of public administration.

Those puzzles come into the sharpest focus in the budgetary process, which we will examine in Chapter 12. As the government's system-wide decision-making process, budgeting raises the difficult issues of how best to deal with the conflicting pressures toward comprehensive

planning and incremental politics that lie at the core of decision-making. Theorists and public officials alike have long struggled to manage an elusive marriage between the two so as to capture the value of each while avoiding the flaws of both.

CASE 11.1 DARE-ING TO CHALLENGE POLICY

In early April 2018, the fifth graders at West Side Elementary School in Worland, Wyoming, celebrated their graduation from the school's D.A.R.E. program—short for Drug Abuse Resistance Education—with certificates and T-shirts. County Sheriff Deputy Colleen McClain was proud of them. "It's giving them ways to help them not do drugs," she said.

Efforts like McClain's have a big fan in Attorney General Jeff Sessions, who told a D.A.R.E. conference back in 2017 that he firmly believes the program saves lives. "Your efforts work," he said. D.A.R.E. programs date back to the 1980s, and at one point, three-fourths of the nation's school districts had them. A generation of school kids can repeat back D.A.R.E.'s message: Just say no.

But there's one problem. Study after study has shown that D.A.R.E. just doesn't work. Most analyses show little or no impact on reducing drug and alcohol use—and one study even showed that use increased. "I don't get it," one D.A.R.E. executive director said of the findings. "It's like kicking Santa Claus to me."

Another favorite program, Scared Straight, which pulls at-risk kids off the streets and puts them in prison for a day, was also found to be ineffective. The idea behind the program is to show kids what life behind bars would be like—to, in effect, scare them straight. It seemed like such a good idea. A 1979 documentary on the program won both an Emmy and an Oscar. It spawned programs across the country, along with a long-running television show on A&E. But despite the program's popularity, the evidence is clear: The program did prove effective—in producing more criminals. Efforts to scare kids straight not only failed to keep them out of jail, but it also, in some cases, increased the odds they'd end up behind bars.

Still, many state governments doggedly continued the program until the Justice Department warned they could lose their funding if they continued to chase a program the evidence proved ineffective. Although South Carolina continues to implement its own version of the program, Operation Behind Bars.

The federal Commission on Evidence-Based Policymaking has been campaigning to bring more—and better—analysis to policy decisions. It has pointed, in particular, to the value of randomized controlled trials, where individuals are assigned to control groups to test whether a program actually works. RCTs produced the findings on D.A.R.E. and Scared Straight, and they're widely considered the "gold standard" for policy analysis.

But most state and local governments can't afford them: RCTs are very expensive, in large part because they require skilled analysts. As a result, many local government officials get sucked into programs backed by strong constituencies but that offer no evidence of effectiveness. These governments essentially end up pouring enormous amounts of money into programs that don't work.

GovEx out of Johns Hopkins University believes its "Roadmap for Policy Change" can help communities do better. The roadmap advances a view that, in some part of the world of analysis, is heretical. It says: "When you can't get rigorously tested, experimentally verified information, it is appropriate to work with what we do have."

The roadmap suggests communities look to others for stories about how they've cracked tough problems and how they navigated tough local political battles. GovEx certainly doesn't argue against sophisticated analysis. But it argues that cities have to start somewhere, that they don't always have the time or talent for mega-studies and that they often need to act before the big guns of policy analysis have produced big findings.

For example, Kansas City, Kansas, was looking for fresh ideas to address urban blight. Its local government staff fanned out across the internet and, armed with the results of Google searches, dug up efforts in other cities such as Baltimore, Mobile, Memphis, and New Orleans. But after they put the results through a filter—Did any of these ideas seem to make sense for Kansas City?—they discovered that efforts in Chicago suggested they revisit local vacant building ordinances.

RCTs can certainly help cities stage a major breakthrough, like Denver's innovative social impact bond to attack the problem of homelessness. That's proven a big success, and the results are backed up by an RCT. But when big problems challenge small staffs and when systematic policy analysis simply can't be done, a smart roadmap—learning from other cities and working carefully with the evidence on hand—may help lots of communities around the country do better. It can help them avoid the D.A.R.E. trap of chasing nifty ideas that, in practice, just don't work.

Questions to Consider

1. Are you convinced by the case opponents have made against D.A.R.E.?
2. What are the implications for decision-making that flow from this case?
3. Consider the strategies for using evidence in framing administrative action. What role do you think that administrators can—and should—play in developing and using such evidence?

Note: This case originally appeared in *Governing* magazine (June 2018).

CASE 11.2: PAY TO SPRAY? FIRE PROTECTION AND THE FREE RIDER PROBLEM IN SOUTH FULTON, TENNESSEE

Gene Cranick was devastated as he poked through the remains of his house. His grandson Lance had been clearing out trash and burning it in a barrel near the home. Lance went inside to take a shower and when he came back outside he found a shed in flames. His garden hose couldn't keep up with the spreading fire, which soon reached the house. The family lost everything, including three dogs and a cat and a lifetime's belongings.

The rural town of South Fulton, Tennessee, had a fire department. In fact, the fire department arrived at the scene—and watched as the home burned down. The town imposes an annual $75 fire protection fee, commonly known as "pay to spray," for citizens like Cranick

who live outside the South Fulton city limits and who rely on South Fulton's fire department. "I just forgot to pay my $75," Gene Cranick explained later. "I did it last year, the year before. . . . It slipped my mind." The firefighters arrived when his neighbor, who had paid the fee, called 911. The trucks sprayed down the fence line separating the homes but refused to put out the fire at Cranick's house. As Jeff Vowell, South Fulton's city manager, later explained, "We have to follow the rules and the ordinances set forth to us, and that's exactly what we did."[1]

Cranick's neighbor had pleaded with the fire department to train the hoses next door. They begged firefighters to help the family, and Cranick offered to pay whatever it would cost for help. The firefighters responded that it was simply too late. The policy, in place for more than two decades, was clear: pay, in advance, to spray. "Anybody that's not inside the city limits of South Fulton, it's a service we offer. Either they accept it or they don't," South Fulton Mayor David Crocker said.[2]

The sad case led to a national debate over the decision of the firefighters to stand by and watch the home burn. Jacqueline Byers, at the National Association of Counties, explained, "If the city starts fighting fires in the homes of people outside the city who don't pay, why would anyone pay?"[3] It's a classic free rider problem, some experts said: allow others to pay the cost of municipal services, and then use the services when they're needed. But the president of the International Association of Fire Fighters said the policy was "incredibly irresponsible." He argued, "Professional, career firefighters shouldn't be forced to check a list before running out the door to see which homeowners have paid up." Instead, "They get in their trucks and go."[4]

Conservative commentator Glenn Beck said that the argument will go "nowhere if you go onto 'compassion, compassion, compassion, compassion.'" The fee, he said, is "to pay for the fire department to have people employed to put the fire out." He concluded that to use fire services without paying the fee "would be sponging off your neighbor's $75."[5] But another conservative commentator, Daniel Foster, countered with this argument: "I have no problem with this kind of opt-in government in principle—especially in rural areas where individual need for governmental services and available infrastructure vary so widely. But forget the politics: what moral theory allows these firefighters (admittedly acting under orders) to watch this house burn to the ground when (1) they have already responded to the scene; (2) they have the means to stop it ready at hand; (3) they have a reasonable expectation to be compensated for their trouble?"[6]

Questions to Consider

1. Do you believe that the firefighters should have used their equipment to put out the fire, even though local policy explicitly told them not to?
2. Should Cranick have been able to pay on the spot for service, so the firefighters could save his house?
3. Do you think that a policy to opt-in for governmental programs—to pay in advance for basic municipal services—is a good one? Do you think there are some services where such a policy is appropriate and some where it is not? Consider, for example, a range of basic services including fire protection, police protection, garbage pickup, snow plowing, road repair, parks, recreation, and local schools. Are some services different from others—and, if so, how would you differentiate among them?
4. If local ordinances set clear policies for local administrators, under what circumstances might it be proper for these administrators to step over the policies? It must have been hard for the firefighters to watch a family grieve as all their

possessions went up in flames. Then there is the free rider problem: If someone can plead his or her case in a crisis, why shouldn't everyone rely on their neighbors to pay for the cost of providing the service? Would it ever be permissible to go against policy in the case of need?

Notes

1. Bradley Blackburn, "Family Misses Fee, Firefighters Let House Burn," *ABC News* (October 5, 2010), http://abcnews.go.com/m/story?id=11806407.

2. "No Pay, No Spray: Firefighters Let Home Burn," *NBC* (October 6, 2010).

3. Blackburn, "Family Misses Fee."

4. "No Pay, No Spray."

5. Evann Gastaldo, "Glenn Beck: Firefighters Right to Let Home Burn," *Newser* (October 6, 2010), http://www.newser.com/story/102300/glenn-beck-firefighters-right-to-let-home-burn.html.

6. Daniel Foster, "Pay-to-Spray Firefighters Watch as Home Burns," *National Review* (October 4, 2010), http://www.nationalreview.com/corner/248649/pay-spray-firefighters-watch-home-burns-daniel-foster.

CASE 11.3: THE PROBLEM OF WATER IN FLINT

When Rich Snyder took office as governor of Michigan in 2010, Republican insiders saw him as a rising star in the party and openly floated his name as a possible vice-presidential running mate in 2012 for Republican nominee Mitt Romney. The Twitter hashtag for his gubernatorial campaign was #onetouchnerd. By 2016, however, critics suggested his hashtag ought instead to be #onedonedude. Because of Flint's enormous financial problems, the state took over administrative oversight of the city, and to save money state officials switched the city's water supply from the city of Detroit to the local Flint River—a savings of millions of dollars, the state projected. Almost immediately, however, Flint residents began complaining that their water smelled, tasted, and looked funny. Even worse, nine people died from Legionnaires' disease, which investigators suspected was connected to the water switch. "We were an experiment in their philosophy of government," explained State Senate Minority Leader Jim Ananich, a Democrat and tough critic of Governor Snyder. "But unfortunately, it failed."[44]

The water from the Flint River, it turned out, was far more corrosive than the water the city had been getting from Detroit. The Flint water ate away at the pipes carrying it, and that led to higher levels of lead and coliform bacteria. The state could have added anticorrosion chemicals to the water, but officials concluded that would have been an unnecessary expense. In the end, the plan to save taxpayers money ended up creating a public health disaster. In an early 2016 interview, a reporter speaking to Snyder noted that critics had "called this [his] Katrina," referring to the failed governmental response to the 2005 monster hurricane that devastated New Orleans and much of the Gulf Coast. He told a reporter, "It's a disaster."[45]

Analysts, including a team from Virginia Tech, said that the disaster was completely preventable. Politicians blamed each other. State officials blamed local managers, and all of them complained about the feds. A Republican, Snyder criticized the Democrats in President Barack Obama's Environmental Protection Agency. On the front lines, left with

undrinkable water and poisoned children, the residents of Flint, 57 percent of whom were Black, wondered why their government had failed them.

But amid the political battle, one thing was clear: the switch in the water supply had created a lead poisoning crisis, and the only way to solve it was to replace the lead pipes with copper ones. That, however, was a large, time-consuming, and expensive job. Complicating the problem was that not all the homes in Flint had lead pipes—but the city records weren't accurate enough to tell engineers where the lead pipes were. It would waste money, take extra time, and put more citizens at risk for a longer time if the city tried to replace all of the pipes. The puzzle: how best to find and replace the pipes that most needed replacement?

With support from Google, a team of computer scientists attacked the problem. They developed an artificial-intelligence model, based on machine learning, to predict where the lead pipes were most likely to be.[46] The model proved remarkably effective. In its first months, inspectors investigated 8,833 homes identified by the AI model, and that led to the replacement of 6,228 pipes: the model's accuracy was 70.5 percent.

In 2018, however, the "hit rate" of the pipe identification process dramatically fell, to just 15 percent. Under pressure from residents who wondered why the city wasn't digging up their pipes, Mayor Karen Weaver put aside the AI model. The model predicted (correctly) that the problem pipes were not evenly distributed but, instead of focusing on where the model suggested the lead pipes were, the city's contractor switched to digging up the pipes at every house on every block on which it was working. The courts had ordered the city to find and replace the lead pipes as quickly as possible, but the shift slowed the process dramatically. Pastor Allen C. Overton, part of a city-wide coalition promoting a rapid attack on the city's problem, said, "It's the number of lead pipes removed that matters, not the number of holes dug." But the political pressure from residents who watched their neighbors' pipes being dug up but not their own pushed aside the analysis from the computer scientists. As Weaver explained, "When we started this, people would say, 'You did my neighbor's house and you didn't do mine.'" In the tug between politics and analysis, politics won—as it almost always does.[47]

Questions to Consider

1. The problem in Flint began with the initial policy decision. How would you have reframed that policy decision to avoid the crisis?
2. How did the policy decision affect diversity, equity, and inclusion in Flint?
3. Consider the ethical dimensions of the policy decision. How would you have handled it?

KEY CONCEPTS

adverse selection
bargaining approach
Externalities
information asymmetry
moral hazard
NIMBY phenomenon
participative decision-making approach
public-choice approach
rational approach
rational decision-making
risk management
satisficing
spillovers

FOR FURTHER READING

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SUGGESTED WEBSITES

The study and practice of decision-making has produced a vast array of approaches to this important and complex field. Many areas of public policy have developed new methods of decision-making, for instance, in the environmental arena (see the Global Development Research Center, **www.gdrc.org/decision**). In health care, many practitioners have argued for an approach to the field that is based far more on the application of evidence, including work at websites like **www.evidencebased.net.** Moreover, the Federal Executive Institute's training programs for the federal government's top managers contain a wide-ranging collection of courses on decision-making (see **www.leadership.opm.gov**).

The Society for Judgment and Decision Making has prepared a useful website, which contains links to a wide spectrum of work in the field (see **www.sjdm.org/links.html**). In addition, the *International Journal of Information Technology and Decision Making*, **www.worldscinet.com/ijitdm/ijitdm.shtml**, regularly reviews cutting-edge thinking on the subject

The federal government rolled out its budget for fiscal year 2023, which set off the annual scramble for federal spending decisions.

Source: Tom Williams via Getty Images

12 BUDGETING

LEARNING OBJECTIVES

- Understand the fundamental role that budgets play in administrative systems
- Understand the twin roles of budgeting: steering the economy and making political choices
- Chart the steps in the budgetary process, including budget preparation, legislative appropriations, and budget execution
- Explore the challenges to budgeting
- Compare federal versus state and local government budgeting

In the middle of the COVID-19 crisis, unemployment soared and the economy in most parts of the country suffered one of the steepest, most sudden downturns in a century. Federal officials decided to step in to prop up the economy and protect jobs. The result was one of the biggest explosions of federal spending in history. Spending jumped more than 50 percent, or $2 trillion, from 2019 to 2020. The **deficit**—the difference between spending and revenues—soared.

There are several important lessons to be learned here. One is that government spending can be used to pump up the economy when troubles emerge. The second is that the result is a big boost in the **deficit**, which adds to the **national debt**—the accumulated total of past deficits—and which then needs to be financed by borrowing, from Americans and investors abroad. The third is that, along the way, the traditional political battles over spending were largely swept aside. Only experts who followed the federal budget most closely could even keep track of how much money the federal government was spending.

Deficits matter. They represent the political choice of the government about how much money to spend, versus how much in taxes it chooses to impose on the people. No one likes to pay taxes. Everyone likes big programs that benefit them. And no one likes to think today about the long-term costs of deficits that build up over time.

As we saw in the last chapter, decision-making is the central administrative act. Budgeting is the fundamental administrative decision. If one wants to know what really matters to a community, how money gets raised and how it is spent provide the best clues. Likewise, to change an organization's priorities, change the budget. According to an old joke, attributed to many insiders, "Grab them by their budgets, and their hearts and minds will follow." Most of the big battles in government—and in public administration—sooner or later become budgeting battles. That is why budgeting is the central political act of public administration.

WHY BUDGETS MATTER

Budget decisions frame the focus on three central questions that have recurred throughout history.[1]

First, *what should government do?* Budgeting is, at its core, the fundamental decision about how government should spend the people's resources. There are always more good ideas than

there is money to fund them, and there are always a long line of new proposals waiting to replace existing programs. Just how big should government be? Which public programs most deserve the public's support: Highways or health care, weapons or welfare? More police officers and firefighters or more teachers and social workers? Budgetary politics is enmeshed in perpetual conflict because it involves the toughest, most central questions that societies must answer.

Second, *who in government should decide these questions?* Throughout U.S. history, the balance of financial power has shifted between the national and subnational governments, and between the legislature and the executive. The budgetary arena has always been the forum for the big battles not only over who should benefit from governmental programs but also who should decide the fate of those programs. Charting the *who* of budgets also provides a strong guide to sources of real governmental power.

Finally, *how should citizens and public officials make these decisions?* In 1940, political scientist V. O. Key Jr. framed the classic budgeting problem: "On what basis shall it be decided to allocate *x* dollars to activity A instead of activity B?"[2] Budgeting is about scarcity. There are always more claims on budget dollars than there is money to spend. Budget makers always face the challenge of deciding which claims get funded—and which do not. Addressing this challenge is about process, analysis, and what defines the best way of making decisions (as we saw in Chapter 11); politics and the battles over the public's money; and basic values about how decisions should be made. In fact, note how often the word *should* appears in discussions about budgeting. That provides a hint about the big value debates that are never far from any budgetary discussion.

This chapter explores these questions in sorting out the functions and processes of budgeting. It begins with an examination of the far-reaching economic and political roles of the budget. It continues by probing the basic parts of the budgetary process: budget making, budget appropriation, and budget execution. Finally, this chapter concludes by reviewing the relationship between budgetary politics and public administration. State and local governments vary tremendously in the way they budget and account for their money, and trying to describe the full range of their practices would fill another book this size. So this chapter will focus heavily on the federal government's budget strategies and tactics to explore the basic challenges that stretch across the budgetary issues for all governments.

THE BUDGET'S TWIN ROLES

Budgets are financial decisions. At the federal level, the budget plays an additional role because of how it shapes the national economy, just as the national economy shapes the budget. Because these decisions affect the allocation of resources among competing claimants, the budget has important political effects as well. After exploring these broad economic features, we'll turn to the issues affecting budgets at the federal, state, and local levels.

The Economic Role

The very size of the government's financial activity inevitably makes it a strong player in the national economy.[3] That role is reciprocal: the budget has enormous impact on the economy, and the economy plays a strong role in shaping the budget. That leads, not surprisingly, to the conclusion that because the budget *can* be used to steer the economy, it *should* do so.

Federal spending amounts to about 30 percent of the country's domestic economy (called the gross domestic product). State and local government spending adds about another 14 percent as a share of the domestic economy. Total government spending is about the same as Japan and the Netherlands, about three-fourths of what the French spend and about three-fourths more than government spending in Ireland.[4]

The Budget's Effect on the Economy

At the federal level, the government borrows money to finance each year's deficits, and the accumulated deficits over time produce the national debt. Federal **surpluses** (spending less than tax revenue) have been relatively rare (just four years since 1965, between 1998 and 2001), so most of the debate hinges on the role of deficits (how big should they be) and the management of the national debt (how to manage it and reduce it). By 2032, the Congressional Budget Office projects that the national debt will rise to a level larger than the U.S. economy, the highest in history.[5]

State and local governments cannot run deficits. In part, this is always because the basic principles of public finance hold that state and local governments ought to borrow only to pay for items that have long lives. When they borrow for such projects, they ought to only take out loans for the life of the project. For example, if a state wants to build a bridge that will last twenty-five years, it would borrow money by issuing a twenty-five-year bond. If a local government wants to buy a new school building that will last twenty years, it would issue a twenty-year bond. Sound practices, and in many cases the law, prohibit state and local governments from borrowing money for long periods to fund short-term expenses, like salaries and program expenses. They should not borrow money to cover a gap between spending and revenues. In many states, their constitutions forbid it.

Using the Budget to Steer the Economy

At least since the Great Depression in the 1930s, economists and government officials have recognized that government taxation and spending, known as **fiscal policy**, affect the economy. (The word *fiscal* is Old French in origin and appears to have roots in the Latin word for "treasury" or "basket," terms that, put together, sum up the topic well.) Economists came to recognize that the more they spent, the more money they pumped into the economy, and the more they pumped in, the more the economy grew. In the 1930s, British economist John Maynard Keynes argued that government could—and should—take advantage of these forces to use the budget to steer the economy: to boost employment, to cut inflation, to improve the nation's balance of trade abroad, and to keep the value of the dollar secure.[6] That theory has grown into the cornerstone of **macroeconomics**, the study of the broad interactions between government's economic activity and the behavior of the economy. Belief in the power of fiscal policy to steer the economy reached its zenith with the Kennedy tax cut, passed in 1964 after John F. Kennedy's assassination, to spur economic growth.[7] Since then, presidents and economists alike have tangled over the relationship between taxes, spending, and the economy, and what combination would produce the best long-run economic growth. As we have seen, debate over the size of the deficit largely evaporated during the COVID-19 pandemic.

Economists have long recognized that the economy goes through cycles of growth and recession. Keynesian economics preaches that the government can use its taxing and spending powers to moderate those cycles, to offset the dangers of both too-rapid growth (inflation) and

recession (unemployment). The theory suggests that in good times, the government ought to run a surplus to keep the economy from expanding too quickly; in bad times, it should run a deficit to keep the economy from becoming sluggish. Because state and local budgets must be balanced, and because no individual state or local budget is big enough to steer the national economy, this is a tool exclusive to the federal budget. But since it's always politically easier to spend more money than to tax more, there's a bias in the Keynesian approach toward higher deficits. That inevitably creates temptations to use the budget's steering forces for political advantage and to hope that future growth will balance current deficits.

The Decline of Fiscal Policy as an Economic Tool

Although the basic Keynesian model retains a strong hold on economists and budgeters, in practice it has lost most of its power. The federal government has fallen into an overwhelming pattern of deficits. Deficits have been the rule for most of our recent history, regardless of the economic circumstances. Using the budget to steer the economy requires making decisions that can shift the budget from surplus to deficit and back again. The overwhelming sea of red ink has the budget's engines stuck in one direction, constantly pumping stimulus into the economy. That, in turn, has left most of the work of steering the economy to the Federal Reserve, which has used its power to manage interest rates and the money supply (called **monetary policy**).[8] As deficits have become a near-permanent condition of fiscal policy, the Fed and its monetary policy have become the only game in town. In fact, when the collapse of the financial markets crippled the national—and the global—economy in 2008, it was the Fed and its central bank partners around the world that provided most of the tools to cushion the fall. When deficits rose in the late 2010s, the world's economy looked to the Fed to prevent the economy from overheating, on the one hand, and to keep growth moving along, on the other.

Most economists agree that huge deficits are unsupportable in the long run. The more money the government borrows, the less there is left for private investment (and thus to feed future growth). They argue that big deficits over the long run make inflation worse than it would otherwise be. Economists contend that large deficits would tie the federal government's hands in fighting future recessions, since there would be limited ability to increase spending and therefore stimulate the economy. Finally, they conclude that deficits over the long run would worsen the nation's international trading position by eroding the value of the dollar.

In the short run, deficits can help the government negotiate through difficult economic problems, but budget deficits over the long run are dangerous. The larger the deficit, the more the federal budget must be devoted simply to paying interest. The more money paid in interest, the less money that is available for the things (from new roads to new weapons) that public officials really want to spend money on.

Most economists do not argue that the federal budget must be balanced all the time. Rather, the consensus among most economists is two-fold: that it's important not to constantly grow the debt to the point that rising interest payments make it hard to pay for other government services on which citizens depend, or that the tax burden drains the private sector's ability to grow jobs and create a high quality of life.

Over the years, the share of the budget devoted to interest has dropped, from more than 15 percent in 1996 to 5 percent in 2021. Even the smaller percentage in 2021, however, amounted

to $352 billion that could not be spent on other programs. Moreover, large interest payments give elected officials little maneuvering room, since interest must always be the first expense paid from a government budget. (Why? If governments miss interest payments, no one will want to lend to them in the future, and no government can survive for long without the ability to borrow.)

The Economy's Effect on the Budget

If the budget has become a less useful tool in managing the economy, the economy's performance has become a much more important force in shaping the budget. In general, a strong economy helps lower the budget deficit by increasing revenues. Budget projections, as a result, tend to rise and fall with projections about the state of the economy.

Budget making, at all government levels, depends critically on estimating the likely levels of economic growth, unemployment, inflation, and interest rates. Very small errors in economic forecasts can have huge effects on the deficit. Moreover, these effects tend to build on themselves over time, with relatively modest forecasting errors swamping painful political compromises. Imagine, for example, making a decision to increase taxes or cut spending by $200 billion in a single year, only to have changes in the economy swamp these decisions. That, in turn, tempts budget analysts to choose economic forecasts that make their job easier. As Rudolph G. Penner, former head of the Congressional Budget Office, and Alan J. Abramson explain,

> Changing a deficit estimate by $10 billion by changing an economic forecast is a minor statistical event. Changing policies sufficiently to alter a deficit estimate by $10 billion is a significant political event. This asymmetry creates an enormous temptation to achieve a given target deficit reduction by adopting optimistic economic assumptions rather than by cutting programs or raising taxes.[9]

That can make it possible for deficits to shrink or even evaporate in the long run. It also helps explain why that hopeful long-run day never seems to arrive. As former Citicorp president Walter Wriston put it, "A government budget deficit is the intersection of two wild guesses [on expenditures and revenues] a year from now."[10] The guesses can get even wilder as the projections go farther down the road.

These crosscurrents—the effect of the budget on the economy and vice versa—have become more important through the years. The federal budget is far greater than the sum of the government's expenditures and revenues: it is a statement of the government's relationship with the rest of the economy and of political officials' attempts to influence economic performance. The crosscurrents have also affected the way the budget is made. The technique and politics of forecasting have taken on a far larger role, and this in turn has opened a new arena in which fundamental budget battles are fought. Finally, the crosscurrents have enhanced the role of the staff members who run the computer models that produce the economic estimates.[11]

The Political Role

Budgeting is, of course, much more than an economic decision about how to allocate citizens' wealth among governmental programs. Budgeting embodies fundamental political choices, both about values—which programs get funded and which do not—and institutions, especially the relative sway of the legislative and executive branches of government.

Forecasts of low economic growth, or even a recession, can prove especially difficult for policymakers. A slow economy drives up spending, shrinks tax revenue, and increases the deficit. Therefore, it is little wonder that top officials shy away from forecasts of a slow economy, which make budgeting even more painful. In the Carter administration, Alfred Kahn, adviser on inflation and later chair of the Council on Wage and Price Stability, got into trouble with the president's political advisers; for talking too much about the risks of a recession. A recession would make the job of his political bosses far tougher, since it would drive budget revenues down and spending up. He refused to change his penchant for speaking frankly—but he changed his language. Instead of talking about a *recession,* he began talking about a *banana*—and then discussed in detail about the possibility that the economy might encounter a banana. For politicians, as Clinton political strategist James Carville was fond of pointing out, "It's the economy, stupid." It's *always* "the economy, stupid," so it's little wonder that the economics and politics of the budget are so closely intertwined.

The Budget and Politics

Americans have always had deep distrust for how public officials deal with their money. After all, the American Revolution was, in part, about a dispute between the colonists and King George about taxes, and the tensions bubbled over during the Boston Tea Party. When the new country came to life, there were big debates about how best to organize the country's financial operations. Alexander Hamilton worked hard to build a strong financial system, but the tensions were so fierce that Vice President Aaron Burr killed him in a duel—and set the stage for *Hamilton*, the Broadway rap-based musical that won a Grammy Award and a Pulitzer Prize and received a record-breaking sixteen Tony Award nominations. It played to sold-out audiences when it opened in London.

The early debates were huge. Congress quickly decided that the Departments of State and War (which later became the Department of Defense) would each be headed by a single secretary, but it considered putting the Treasury under the control of a board (so that no single person could become too powerful) and keeping the board under its own tight control (so that the legislative branch could closely oversee how the executive spent money). Although the Constitution clearly granted the executive branch the power to wage war and make treaties, it gave Congress the power to coin money, levy taxes, and appropriate money. The Constitution explicitly requires that all tax measures originate in the House of Representatives, the body that the founders believed would be the "people's house," to make sure that citizens had a voice in their own taxation. Ever since, budgetary politics has been a forum for sharp competition between the president and Congress.[12] Two different national banks collapsed under populist pressure—and the Internal Revenue Service has long been one of Americans' least favorite agencies. The dispute over whether the federal government should assume the Revolutionary War–era debts of the state governments became one of the most heated battles between Hamilton, who argued that was the essential foundation for the new nation's stability, and Thomas Jefferson, who feared it would lead to a more centralized government. That battle shaped the nation's financial future. It also led to some of the most powerful scenes in *Hamilton.*

For America's first century, federal budgeting was mostly a congressional function. In fact, the executive budget was little more than the Treasury Department's assembly of agency and departmental requests. Congress was the central force in budgeting.

The Rise of Presidential Power

At the beginning of the twentieth century, the Progressive movement increased citizens' concern about the management of government at all levels. Budgetary reform swept state and local government as part of the broader trend toward strengthened executive powers.[13] By the end of World War I, the congressionally dominated system had proved inadequate for managing the federal government's vastly expanded fiscal functions, and the budget-reform movement launched in the states and cities bubbled up to the federal level.

The culmination of this movement was passage of the Budget and Accounting Act in 1921, which revolutionized federal budgeting. For the first time, the president was to submit an annual budget to Congress. A Bureau of the Budget was created in the Treasury Department (and later moved to the president's own executive office) to assemble and adjust, if necessary, the department's requests to conform to the president's program.[14] Meanwhile, the Treasury Department's auditing functions were transferred to Congress's new General Accounting Office (GAO, which was renamed the Government Accountability Office in 2004). By gaining the authority to produce their own budget, presidents acquired leverage over both the executive branch departments and agencies—which first had to bargain with the president before having their requests sent to Congress—and Congress itself, because the document submitted by the president would frame the terms of debate.

The Budget and Accounting Act of 1921 thus divided the traditional budget functions into areas of executive and legislative supremacy: budget preparation and execution in the executive branch, budget appropriation and post audit in the legislative branch, and shared executive–legislative authority over budget control.[15] The division has always been sloppy, but the act nevertheless put the president into a position of preeminence not previously known.

The 1921 act proved a significant advance in presidential power—in many ways, it marked the emergence of the modern presidency. It was the beginning of fifty years of steadily growing presidential dominance over Congress in the budgetary process. While Congress has tried, especially since the mid-1970s, to regain its earlier preeminence in the budgetary process, the president has held the upper hand over most of the years since then.[16] These struggles between the branches have played themselves out in the arenas of budget making, budget appropriation, and budget execution. (Chapter 15 deals with a related part of the budgetary process, post audit and performance measurement.)

BUDGET PREPARATION

We now turn to the basic steps for budgeting, which all levels of government share. The first step is preparation of the budget: a set of spending and revenue plans combined in a single document.[17] While the details vary around the country, the process typically includes both top-down and bottom-up features.[18]

Budget Targets: Top-Down

A government's budget is not simply a collection of agencies' spending requests. Instead, each government's executive—whether mayor, city manager, county administrator, governor, or president—sets broad targets for overall spending and revenues. Executives naturally want to

shape taxing and spending to meet their basic policy goals. Moreover, if they left their budget solely to the wishes of their department heads, spending would quickly get out of control. So, early in the year, they work with their budget staffs to define targets for spending—the costs of continuing old programs and starting new ones—and send them to the operating agencies. These targets flow from estimates made by the executive's budget staff: how expected changes in the economy will affect revenues and expenditures (will the economy's growth bring more tax collection, or will its slump put higher demands on welfare?), how demographic changes are likely to affect existing programs (will more school-age children require the school board to hire more teachers?), and what new initiatives the executive wants to launch (how much money will a new mass-transit upgrade cost?).[19]

Budget preparation focuses on producing a budget by the start of the **fiscal year**, or the budget year. (At the federal level, the fiscal year begins on October 1. Most state and local governments have a July 1 start for their fiscal years.) Well before the beginning of the fiscal year, economic forecasters estimate the revenue that will likely be available. They also calculate the likely costs of past decisions, such as multiyear legislation (a five-year job training program that might be in year two) and automatic programs (such as spending for pensions, which are based on formulas). This produces a three-part package of spending, revenue, and economic estimates, which form the basis for the executive's initial decisions. These decisions produce targets that go out to agency heads, who then break down the targets for their operating units. Budget proposals, including requests for new money for new programs, then flow back up the chain to the budget director. Final appeals go to the executive in the weeks before the budget is officially submitted to the legislature (Congress, state legislature, county board, or city council) for review and action.

Preparing the federal budget thus begins nearly a full year before the finished document is submitted to Congress, more than a year and a half before the fiscal year begins, and two and a half years before the fiscal year ends. Getting the numbers right requires an especially good crystal ball. It also makes constant tinkering inevitable. At any given time, administrators must deal with three different budget years: executing the current fiscal year's budget, defending the next year's requests before the legislature, and making budget estimates for the year after that. Any year's budget battle is thus actually part of interlocking skirmishes that stretch over many years.[20]

Budgets and Incrementalism: Bottom-Up

The top-down snapshot is the big picture, full of worries about the size of the budget deficit, the budget's role in macroeconomic policy, and large-scale policy changes such as the introduction of new defense systems, schools, or highways. However, the picture is much different from the lower-level administrators' point of view.

The central theory (both descriptively and prescriptively) of bottom-up budgeting is **incrementalism**, originally put forth by Aaron Wildavsky. It builds on the theory of incremental decision-making explored in Chapter 11 and captures the twin threads of that theory. Incrementalism, Wildavsky argued, is both the best description of how budgeting works and the best prescription for how it *should* work. How much should an agency official request in the budget preparation process? How should it answer V. O. Key's basic question about how resources are to be allocated? Wildavsky's answer was that officials do, and should, begin with

their budget base and ask for a "fair-share" increase (or, in bad times, protecting the budget against more than their fair share of cuts). "The base is the general expectation among the participants that programs will be carried on at close to the going level of expenditures," Wildavsky explained. The increments are relatively small increases over the existing base that reflect the agency's share of changes in the budgetary pie.[21]

In budgeting, incrementalism has two important implications. First, no one really considers every amount for every item in the budget. The details are far too many and much too complex for anyone to examine everything, so it is far easier and, Wildavsky argued, more rational to focus on *changes*. Second, the real political battles focus on the changes. Budgeting is a battle fought on the margins, with the sharpest struggles focused on changes in the distribution of the government's pie.

Incremental theory, both as a description of how budgeting operates and as a primer on how agency officials should behave, has dominated the budgeting debate since the first publication of Wildavsky's work in 1966.[22] Many theorists have taken sharp issue with his view, for three reasons. First, incremental budgeting begins with the budget base, but the definition of that concept is anything but clear. The budget base can be the current estimate of spending in the previous year, although that estimate constantly changes as legislators act on the budget and agencies carry out their programs. It can be the cost of continuing current activities at the same level, which includes increases for inflation and population shifts and decreases for improved productivity. Or it can be a spending level set by law, which often can be a different amount from the first two.

Second, budget experts do not always make changes from the existing level of spending in small increments. On average and on the grand scale, budgeting does appear incremental, but the averages hide the rich politics of budgeting: aggressive program managers seeking to build budgets, budget officials seeking to keep a ceiling on total spending, and executives and their staffs seeking to pursue new initiatives.[23] Big, nonincremental changes sometimes do occur. Nothing makes that point clearer than the effort to manage the enormous implications of COVID-19.

Third, the real focus of budgetary politics is not changes in the budgets for agencies and their number of employees but in the budgets for their programs. The competitive success of alternative programs, not changes in the budgets of agencies, occupies budget makers. In that arena, policy entrepreneurs have the power to build the strongest political case for their ideas.[24]

Although the incrementalism model has many shortcomings, from issues such as fair-share increases to the budget base, it nevertheless continues to have a very powerful force on budgeting. Most budgeters tend to think about their budgets as a search for increases over their base. Most reporters focus on those debates. Most reformers seek to find some way to break the incremental pattern. Incrementalism tends to capture the way most people think about budgeting. It also captures how it most often works—and even how many people think it *ought* to work.

Breaking the Incremental Pattern

Especially since the mid-1960s, chief executives have experimented with reforms to break the incremental pattern. Most notable was Lyndon Johnson's **Planning-Programming-Budgeting System (PPBS)**, which aimed to bring a rational, planning-based approach to budgeting. In 1961, Secretary of Defense Robert McNamara introduced PPBS in the Pentagon.[25] The technique involved three phases: (1) planning, in which top-level managers developed five-year strategies for defense activities; (2) programming, in which the strategies were transformed into detailed

descriptions of the department's needs, including which weapons systems had to be purchased on what schedule; and (3) budgeting, in which officials transformed the program into year-by-year budget requests. The basic idea was to link the annual budgetary process with long-range plans instead of making haphazard requests. Furthermore, each branch of the service was to budget by program instead of by organizational unit. The Pentagon, for example, would decide whether the nation's strategic needs required a new jet fighter and, if so, what capabilities it ought to have. Program budgeting, McNamara hoped, would drive down the cost of buying weapons systems by reducing competition among the services for their own individually tailored weapons systems. President Johnson was so pleased with the results in the Department of Defense that he extended the technique in 1965 to almost all federal civilian departments and agencies.

PPBS never transformed the base of government planning or linked budgets—government's inputs—to its outputs. In the foreign governments and nearly all state and local governments that have tried PPBS, it has produced similar results.[26] Nevertheless, PPBS's long-term impact was substantial. It brought into the government able analysts, many of whom remained.[27] It acquainted a large number of top executives and career civil servants with a new style of analysis, emphasizing clear objectives, alternative ways to meet goals, and quantification of benefits and costs. The regular budgetary process now transmits multiyear projections. The Pentagon still actively operates a modified PPBS, with long-range plans, translates those plans into programs, and develops the programs into budgets.

There are important lessons here. Budgetary problems are huge and fundamental. Chief executives constantly want to improve their control over budgetary decisions. There is an irresistible yearning to study more, analyze more, and know more about the budget—and all important public policy decisions—in the hope that better analysis will produce better decisions. In fact, more and better analysis *does* improve decisions. But because these decisions capture the most fundamental political judgments, politics—and political games—inevitably intrude. Big analytical reforms tend to erode over time, as their warts become more clear, but they never go away. Instead, they leave important residue that continues to shape budgetary decisions.[28] New strategies to improve the budget pop up, prompted by the same instincts, and the pattern repeats itself. Cynics point to this as a case of politicians failing to learn the central lessons of politics. Optimists point to the improvements that have been made over time. One thing is certain: this pattern will not end any time soon.

In the Nixon administration, OMB attempted a different strategy—**management by objectives (MBO)**, intended to strengthen the ability of managers to manage. Agency heads and their principal executives would focus on quantified objectives to be attained in the coming year and then break down each objective into targets for achievement in, say, each quarter year; this process would then be repeated in turn for each subordinate. MBO had a mixed record: it made a significant contribution in some departments and bureaus, but it failed and was quickly abandoned in many others. As with PPBS, there has been "a noticeable disenchantment with MBO as a panacea in the government."[29]

When Jimmy Carter took office in 1977, he brought with him the **zero-base budgeting (ZBB)** approach that he had used as governor of Georgia. Despite its name, ZBB was not budgeting from a zero base. Instead, budgeters began from a certain level of spending (say, 80 percent of current expenditures). They then assembled "decision packages" (consisting of different ways of increasing the level of services) and ranked them. In this way, decision-makers could set

priorities for spending increases.[30] ZBB seemed attractive at first. It pushed away the assumptions of incrementalism—political battles over increments to the base—and substituted focused analysis on spending. It's no surprise, however, that politics soon overtook ZBB. Agency officials quickly discovered how to game the process. For example, they sometimes ranked very low a project they knew would never be cut, and they ranked high projects they favored but worried might be vulnerable. ZBB, moreover, was an enormous burden of analysis and paperwork for budget makers, which undermined support for ZBB at the federal level. At the state and local levels, however, many governments continued to find the process helpful for making choices within their smaller budgets.[31]

All of these strategies seek to answer Key's basic problem—how to allocate additional dollars to different programs. And all of them seek to do so by creating new analytical strategies to improve how elected officials make the key decisions.

From this ongoing cauldron of innovation, four conclusions emerge. First, chief executives feel obliged to launch a major reform in analysis and management to improve control over the budget. Second, few of these reforms endure intact, because they rarely give executives real analytical leverage over decisions that are inevitably political. Third, the impulse toward reform leads new administrations to try new changes, all in the hope of getting better control over the most fundamental decisions that governments make. Fourth, even the less successful efforts leave behind a residue that helps shape future efforts.

The Rise of the Uncontrollables

Even more important, more government spending has become dictated by past policy decisions, especially at the federal level. At the federal level, budgeters encounter the stark reality of **uncontrollable expenditures**, which are dictated by mandatory formulas for programs like Social Security and Medicare. Discretionary spending—the share of the budget not locked in by these mandatory formulas or by interest in the debt—fell from 66 percent in 1965 to 24 percent in 2021. At the same time, mandatory spending (including entitlement programs, like Social Security and Medicare, where recipients are entitled to benefits by law) doubled, from 34 to 76 percent.

Even with "discretionary" programs, moreover, government officials often have little real discretion. Having signed contracts for new weapons systems, defense planners don't walk away from their investment. We count on airport screeners to get us through airports and Social Security workers to process payments for retirees. We don't want to shut down federal prisons and national parks, and no one wants to send the armed forces home without pay. In any given year, the share of the budget over which the president and Congress have any real control is thus very, very small—just a small percentage of the total spending. It's little wonder, then, that budgetary politics has become more intense, with tougher battles over smaller pots of money.

State and local governments do not tend to measure uncontrollables as explicitly as the federal government does. But many state governments find that formula-based spending for many programs, from aid to local schools to money for highways, takes up a growing share of their budgets. Most government spending goes to support government's ongoing mission, and few missions ever are repealed.

APPROPRIATION BY THE LEGISLATURE

Although the submission of the executive budget is typically an event of great theater, an executive's budget is ultimately only a set of estimates and recommendations. In the American system of government, however, the executive proposes the budget. The legislative branch must approve taxes and spending.[32] That affects the executive's proposal in two ways. First, executives behave according to the **rule of anticipated reactions**—they shape their recommendations according to how they think legislators will react to them.[33] A budget maker who expects legislators to cut the agency's spending by 10 percent may submit a request 15 or 20 percent higher. Legislators, of course, understand this classic ruse. They estimate how much padding they think has been built into the budget and cut accordingly. The result is an intricate chess match.

Second, when the economy is weak, tax revenues suffer and executives conclude that cuts are inevitable. They sometimes propose cuts—but in areas with strong political support, betting that legislators won't dare cut them. This is a maneuver so classic that it even has a name: the **Washington Monument ploy**. When pressed to make tough budget decisions, agencies offer to cut their most popular programs (which, for the National Park Service, would be closing the Washington Monument), with full knowledge that legislators will never allow such cuts to take effect. The story isn't completely apocryphal—there actually have been proposals to close the Washington Monument as a budget strategy, and they have never worked.[34] Very experienced budgeting officials have a vast collection of games they're especially skilled at playing.

At the federal level, budgeting requires matching budget requests, from the executive side; budget approvals, from the legislative side; **budget authority**, the legally approved amounts that agencies can spend; and **budget outlays**, the actual amount that budget analysts estimate will actually be spent in any given year. To that, of course, they must add estimates of the automatic spending—entitlements—that will be spent as well.

Estimating outlays (and, therefore, the deficit) is an extremely complicated process. Analysts must determine how much budget authority from past years will be used in a given fiscal year, how much new budget authority will be created and spent, how much previous budget authority will expire at the end of its time limit, and how much budget authority will be carried over into subsequent years. For some uncontrollable spending such as Medicare, the outlays depend on how many people get sick and what kinds of treatment they require. Outlays can vary according to many factors, such as the unemployment rate, the progress in building a new fighter at an aircraft plant, or how many natural disasters strike. Thus, no matter how close a watch Congress keeps on its books, it has only a loose rein on outlays in any given year.

Bumps in the Federal Budget Process

The budget process has always been difficult, but problems have grown to the breaking point in recent years. There are several reasons.

First, a significant part of the budget is classified, and this **black budget** does not receive the same oversight as other kinds of federal spending. The only people in government who know what or how much is in this black budget cannot tell, and the size and scale of these secret projects are hidden from all but a handful of members of Congress, although the total of the

"black" activities amounts to more than $80 billion each year.[35] The black budget hides the size of the Central Intelligence Agency's budget, spy satellites, research and development of top-secret defense programs, and the operation of at least some of the military's drone programs as part of the war on terror. Officials who work in the programs sometimes sport embroidered patches. One for "Project Zipper" shows a smiling face with sunglasses and a zipped mouth and the motto "We make threats not promises." Another has a mushroom on a dark background—mushrooms are grown in the dark—and the motto *Semper en Obscurus* ("Always in the dark"). A third quotes the first-century Roman emperor Caligula with *Oderint Dum Metuant*, which means "Let them hate so long as they fear."[36]

Second, although the shift in the start of the federal fiscal year from July 1 to October 1 was designed to give Congress more time to finish its work, Congress has fallen further and further behind in its schedule. As noted budget expert Philip G. Joyce has found, Congress managed to get its work done on time just three times since 1977 (in fiscal years 1989, 1995, and 1997).[37] When Congress can't complete its work, it has resorted to passing **continuing resolutions**, which allow the government to continue operating until Congress passes a budget—or another continuing resolution. Sometimes (as in 1979) Congress has operated the entire year on a single continuing resolution. At other times, it has passed a flurry of continuing resolutions, with the record at twenty-one in 2001, Joyce found. The strengthening of Congress's budgetary role, envisioned in reforms passed in 1974, has gradually fallen apart.

Third, the consequences of Congress's procedural failures have become larger. If Congress fails to pass **appropriations**, no federal agency can spend money, except for emergency operations. Over time, Congress has proven less able to pass budgets, and the pace of government shutdowns—shuttering government agencies when Congress fails to complete its work—has increased. During such shutdowns, essential employees (like air traffic controllers and federal prison guards) can continue to work, but other employees must go home and not be paid, a process known as **furloughs**. (Many state and local governments, facing big budget crises in the late 2000s, likewise relied on furloughs for budget savings.) Some of the pain of these shutdowns has decreased because administrations—Democratic and Republican alike—have labeled more government employees as "essential," and Congress has regularly passed legislation to cover the back pay after the shutdowns. But these increasingly regular budget battles have undermined the integrity of the budget process and made longer-term planning, for government officials and those who work with them alike, ever more difficult.

Fourth, Congress passed a law in 2001 that required automatic budget cuts—**sequestration**, in the budget's arcane language—if it did not pass a budget that kept the budget under deficit targets. No one really expected the automatic cuts would take place. Members of Congress saw it as a tool to create implications so unthinkable that they would have no choice but to agree on a budget. In practice, this has not worked well and has led to even more uncertainty in the budgetary process—although it has helped restrain the growth of federal spending. Sequestration has become less an automatic strategy for reducing spending or even a much-feared strategy for forcing budgetary agreement than one more sign of a broken process.

One analyst has warned of a budgetary "ice age"—with the process locked in "a frozen mass of spending priorities that no one has really chosen and that no one really likes."[38] Proposals surfaced to reform the budget, including creating a budget that would last two years instead of one

and passing a constitutional amendment to require a balanced budget. None of the procedural fixes, however, offered much hope for resolving what, at their core, were political problems. In 1987, Senator Mark O. Hatfield (R-Ore.) captured the problem with an analysis that still rings true: "We are not going to work our way out of federal deficit difficulties with procedural gimmicks. There is nothing wrong with our present system if we summon the will to make it work. And if we do not have will, no new procedures will work any better." Carol G. Cox, president of the Committee for a Responsible Federal Budget, agreed: "These are not economic problems. They are not analytical problems. They are political problems."[39]

Budgets as the Focus of Political Polarization

Of course, budget battles between the president and Congress are as old as the country, but the battles have unquestionably become more fierce in the last two generations. Divided party control of the executive and legislative branches accounts for some of the conflict. So too does the rise of entitlements, which focus more political attention on a smaller share of the budget. Even more fundamentally, the nation is amid profound debate about how big government ought to be and what it ought to do. These big questions shape the process and the politics of the federal budgetary process.

In state and local governments, the issues are just as sharp—and just as grounded in politics. Governors in Kansas and Louisiana made big cuts in state spending on the promise of creating strong economic growth, but the promises went unmet. From 2015 to 2016, Illinois went without a state budget or an education plan for a year because legislators could not agree on spending. Many states use one-time-only revenues to pay for recurring expenditures, which means they are always struggling to fill budget holes. It's tempting to postpone decisions into the future, which means that officials are always hopeful the economic situation will make it easier to solve budget problems—although it never does. Many states underfund maintenance of infrastructure, such as highways, bridges, and water systems (like the one in Flint), which means that the bills eventually become due—only at higher costs. And many states are underfunding their pension systems, which means they will have to dig deeper when employees retire—either by raising taxes, cutting spending, or both.[40]

BUDGET EXECUTION

Once the executive and legislature agree on a budget, the challenge falls to the executive to, well, execute the spending plan. While the importance of this stage of the budgetary process might seem obvious, Allen Schick has noted that these practices are a "dark continent" of budgeting.[41] The budget execution process is a delicate balance between ensuring that a program's legislative goals are served and providing adequate flexibility for administrators to do their work.

For legislators, it's a dual problem: making sure that executive branch officials do not exceed their authority to spend money and making sure that they implement the programs that legislators have approved. Either problem—doing more than the legislature approved or not doing all that the legislature expects—proves enormously frustrating to legislators. For executives, it's a

matter of matching the resources they get with the laws they are charged with administering, and the appetite for results always exceeds the money available.

A critical piece of budget execution is management control, and "follow the money" is its basic commandment. The flow of money throughout the bureaucracy provides a valuable tool for controlling the implementation of governmental programs, and it provides important leverage on administrators' activities.[42]

First, the money trail demonstrates who is doing what. The flow of cash doesn't tell us much about the quality of an agency's work, but it does tell us whether work is taking place. Overseeing the flow of cash is also very helpful in tracking the work of contractors and grantees who produce much of government's work.

Second, by controlling the flow of money, the executive can control the direction and pace of governmental activity. Managers sometimes presume that everyone within an organization is working toward the same goal, only to be surprised later by employees' actions that are grossly out of line with the organization's goals. The flow of money signals the goals an organization considers important. It is important managerially because it helps to secure a match between the organization's broader goals and the workers' individual goals.

Finally, the flow of money is important for reporting and evaluating an agency's performance. It can help managers to identify the "hot spots" that need attention, either because a unit is spending too much money too quickly (will the budget run out before the year is done?) or, paradoxically, because it is spending too little (does the unit have enough expertise to know how to manage the program?). More broadly, it provides important raw materials for program evaluation. By measuring what the money goes for, managers can take a first step toward determining a program's, and thus an agency's, efficiency and effectiveness.

Management control builds on the financial structure, Robert N. Anthony and David W. Young explain.[43] The financial structure, in turn, is constructed with the building blocks of accounts. Each function or agency, and each of their subunits, generally has an account code. Account number 3–45983–6803, for example, might identify precisely the source and use of the money: the first 3 might mean that the money comes from a particular funding source, such as an excise tax on gasoline. The 45983 might mean that the money is allocated to the field unit in charge of repairing roads in the southern part of the state. The 6803 might mean that the money is going to purchase asphalt patching material. Computerized reports allow managers to track the flow of money, monitor activities, and report back to the legislature about the results of the programs they've funded.

Different governments operate by different systems, but they all rely on management control systems built on accounts.[44] While the intricacies of such fund accounting often seem boring to those worrying over broad legislative–executive conflicts and the politics of deficit reduction, they are anything but: fund accounting provides critical information about what government does and what happens to taxpayers' money. Management control gives executive branch officials important information about the behavior of those who implement governmental policies, both within and outside government. Through routine auditing functions, it provides the mechanism for discovering problems and correcting them before they become large. Most important, effective management control provides important leverage over the activities of government officials, contractors, and grantees and thus improves the chances for effective and efficient provision of public services.

BUDGETING CHALLENGES FOR STATE AND LOCAL GOVERNMENTS

State and local governments face special budgeting challenges, just as the federal government does. Because of the vast array of subnational governments, there are many different state and local issues, but they share several common features.

First, unlike the federal budget, state and local governments must balance their budgets. The federal government can print money and engage in long-term borrowing to cover its operating deficits. State and local governments cannot, often by law and constitution and always by accepted practice. If state and local governments suffer a temporary shortage, they can slide deficits over into the next fiscal year, dip into rainy day funds, or engage in short-term borrowing, but they cannot engage in the long-term patterns of **debt** that shape so much of federal budgeting. A steady pattern of such borrowing, however, can dig them into deep holes, and they don't have the federal government's tools for getting out.

Second, state and local governments draw fundamental distinctions between their operating budget (to cover the cost of day-to-day functions) and **capital budgets** (to cover the cost of long-term expenses for equipment and facilities). In general, state and local governments borrow to fund capital expenditures. The basic principle of capital budgeting is that the term of the loan ought to match the life of the equipment or facility. A state or local government might issue a twenty-year bond to pay for a sewage treatment plant expected to last two decades or a ten-year bond for a new fire engine. Taxes pay for operating expenses, like the salaries of firefighters and police officers.

Third, budget practice varies widely on what happens if the legislature cannot pass a budget. In some states, like Wisconsin, state activities continue automatically at the same level if the budget isn't passed. In most states, failing to pass a budget means that the authority to spend money expires and shutdowns, from closing state campgrounds to laying off employees, are both fiscal reality and political theater. In the recent economic downturn, many state and local government employees found themselves subject to furloughs as their governments struggled to balance their budgets. In Detroit, the accumulation of a generation of budget problems and a shrinking economy led the city to declare bankruptcy in 2013, the largest municipal bankruptcy in the nation's history. The bankruptcy filing led to debates on questions ranging from whether the city could walk away from its pension obligations to retired employees to whether it should sell works of art by masters like Matisse that were owned by the Detroit Art Museum. Deep budget problems led the state to send managers to oversee many local governments, and it was a state manager who approved the decision in Flint to switch over the source of its water supply—and ultimately subjected city residents to the risks of lead poisoning.

In the long run, the federal government and state and local governments face many of the same big budget questions. Health care expenditures and pension costs are rising rapidly, and they will strain state and local finances for the next half-century.

However, the long-term fiscal picture for state and local governments raises many of the same big budget questions facing the federal government. Health care expenditures are rising rapidly and, GAO projects, will equal all other state expenditures by 2060.[45] The rise of these expenditures, coupled with the ongoing struggle to modernize tax systems to fit the twenty-first-century economy, threatens to drive state and local government budgets deeper into the red. These challenges will strain the budgets of state and local governments—and their

budgetary policies and politics. The long-run picture will create fundamental decisions for state and local government officials in future decades.

CONCLUSION

Budgeting is central to the politics of the administrative process and is at the core of many issues, including the effect of government taxing and spending on the economy, the effect of the economy on the budget, the use of the budgetary arena for fighting (if not always resolving) battles between the legislative and executive branches, and ultimately the role of government in society. Budgeting is the arena that most fundamentally shapes public policy decisions and is responsible for carrying them out. By putting dollars together with often ambitious, and sometimes conflicting, goals, policymakers provide the resources needed to bring programs to life. Although the budgetary process varies greatly at all levels of government, the basic issues remain. V. O. Key's fundamental question is at the very center: "On what basis shall it be decided to allocate *x* dollars to activity A instead of activity B?"

The decision-making models discussed in Chapter 10 laid out the basic issues. The current chapter demonstrates the challenges of resolving them. It is one thing to discuss the basic models of decision-making. It is another to breathe life into them, and that happens through the budget.

The next question, of course, is how to bring that breath fully to life: how does the administrative process adapt, refine, and sometimes even reshape the results of the legislative–executive battles? This is the process we call *implementation*, which we turn to in Chapter 13.

CASE 12.1: ARE PUBLIC-PRIVATE PARTNERSHIPS THE FUTURE OF BUDGETING?

When I was young, family fun usually brought a trip on the Pennsylvania Turnpike. That meant bundling everyone—my mother and father and the four kids—into our station wagon with the faux-wood paneling on the side.

We'd have to drive through the turnpike's tunnels, and our favorite was always Ray's Hill. My dad's name was Ray, and the family rule was that we had to clap all the way through the tunnel (which was, of course, just as annoying to the driver as you might imagine). If we were really lucky, the trip would include a stop at a Howard Johnson's restaurant, best known for its orange roof and, more important, for its twenty-eight flavors of ice cream.

Bizarre as it may seem, those memories get me to thinking about the future of federalism. The turnpike was one of the country's first great public-private infrastructure projects, built by private contractors, financed through revenue bonds, and repaid by drivers' tolls. As for HoJo's: It won the first private franchise to provide food (and, of course, ice cream) on public roads, paying for the privilege by dishing out money that the whole turnpike enterprise could put to use.

We're going to have to do something as innovative as that if we're going to deal with the infrastructure problems we're facing right now.

The problems are huge. When President Trump announced his $1 trillion plan to fix the nation's infrastructure, National Public Radio's Ailsa Chang tried to figure out just how

far the money would go. She started counting New York City's needs and couldn't even get across the Hudson River before the trillion dollars ran out.

Of course, Trump isn't really proposing that the federal government spend $1 trillion in federal tax money. Rather, he wants the feds to put up $250 billion in the next decade and leverage the rest through public-private partnerships, with the states and cities carrying a big share of the load. In his most recent budget, Trump asks for $5 billion to get started. That's about one-seventh of what it might take just to get local school buildings into fair condition. The rest of the cash will have to come from elsewhere.

And that leads to three truths. No state or local government has much money to spare right now. Everyone knows the feds aren't going to go deeper into debt to provide a cash windfall for construction. And every state has a vast—and growing—collection of must-do infrastructure projects.

If government doesn't have the cash, the inescapable solution may indeed be a new generation of public-private partnerships, in which government leverages private money to finance projects, which then get repaid through taxes or fees charged to users. One tempting plan is to raise money for domestic infrastructure by luring private companies to bring back profits generated abroad. With the right tax plan, advocates think, they can repatriate profits and redirect them to America's needs. Estimates of the potential for repatriated profits, in fact, range as high as $3 trillion. Infrastructure planners see that as an enormous source of untapped funds.

The plan has attracted support from President Trump and from across the political spectrum, from House Speaker Paul Ryan (R-Wis.) and Senate Minority Leader Charles Schumer (D-N.Y.). But anything with support that broad in principle has got to be super-complicated in action, and that's just the case here. It's very hard to bring the overseas money back without lowering corporate tax rates, it's impossible to lower tax rates on foreign profits without doing so for all corporate profits, and channeling the investments into infrastructure will require special tax breaks.

This all gets very expensive very fast, and it collides with the goal of making the tax code simpler. Moreover, it wouldn't necessarily channel the money to the biggest infrastructure needs. Investors are going to put their cash where they can be most sure of getting the biggest profits. That might work for new airports and toll bridges. It wouldn't bring in a lot of money to make small-town street repairs or fix up bridges in the inner-city.

Then there's the plan to sell off government operations such as airports and water companies, or at least license them to private operators who could keep whatever profits they generate. St. Louis is exploring that approach to make better use of its half-empty airport, which lost business when American Airlines bought TWA, once based there.

Chicago tried to do this with its Midway Airport, but the deal collapsed along with the credit markets during the 2009 economic crisis. Later on, Chicago Mayor Rahm Emanuel wrote that the city had learned an important lesson: "A true public-private partnership requires that taxpayers maintain control of the asset and share in management decisions and financial profit." Having to share control and profits, however, might shrink the enthusiasm of private operators.

There just isn't an easy way to solve the infrastructure problem we've allowed to grow and fester for a generation. To get the money it needs, government is going to have to attract substantial private investment. That, in turn, means figuring out new incentives to lure investors. It also means that state and local governments must develop new ways of managing such complex partnerships—and of figuring out how to share the proceeds with private partners.

It means, in one sense, reaching back to the Pennsylvania Turnpike to find clues about the future of federalism.

Questions to Consider

1. Do you believe that public-private partnerships offer hope for important problems where governmental revenue is inadequate?
2. If you favor such partnerships, how can government be smart enough—how can it develop enough administrative capacity—to manage the partnerships well and not be subject to greater expertise in the private sector?
3. What skills would government budget analysts need to manage such partnerships effectively?
4. If you were a budget analyst, for what programs would you recommend such partnerships? And what programs do you think are inappropriate for these partnerships?

Note: This case originally appeared in *Governing* magazine (August 2017).

CASE 12.2: GOING BLACK: THE UNITED STATES' "BLACK BUDGET" INTELLIGENCE OPERATIONS

The movie *Zero Dark Thirty* won an Oscar for its portrayal of the daring raid on terrorist mastermind Osama bin Laden in 2011. The movie peels back just a bit of the secret intelligence world that made the raid possible. But the reality is a far larger and more sophisticated world than most Americans—in fact, most members of Congress—realized. For example, as SEAL Team Six was on the ground, they had help from incredibly sophisticated satellites overhead that picked up intelligence as the commandos broke into the compound. Before the SEAL team hit the ground, the federal National Reconnaissance Office had collected more than 387 high-resolution images of the compound, and a special outfit called the Tailored Access Operations group installed spyware and tracking devices on phones and computers used inside the al Qaeda network. A special stealth drone, the RQ-170, flew over Pakistan to pick up information. All this helped intelligence analysts determine they had zeroed in on their target. Afterward, managers managed to dig up an extra $2.5 million in money for overtime and extra computers to sift through all the intelligence that the SEALs brought out with them on their helicopters.[1]

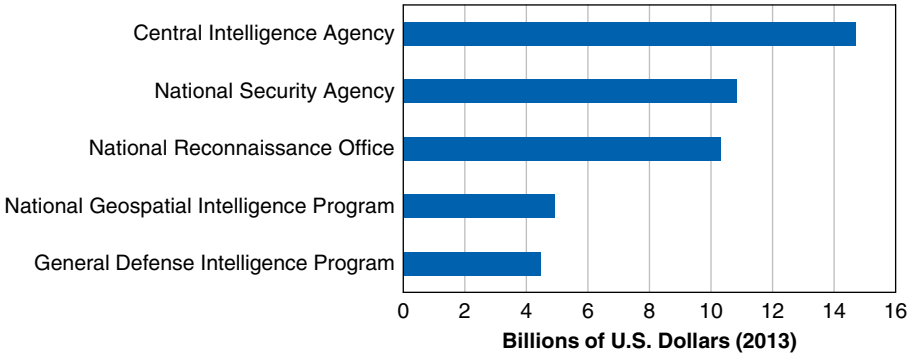
All this came out of the federal government's "black budget," hidden in super-secret compartments of the national security budget. Only a handful of members of Congress know the details of what's inside the "black" part of the defense budget and, until very recently, almost no one outside the intelligence community even knew how large it was. Until, that is, former National Security Agency (NSA) analyst Edward Snowden leaked top-secret documents to the *Washington Post* and Britain's *Guardian* newspapers. From those materials came a first-ever portrait of the government's clandestine world.

As Figure 12.1 shows, the "black budget" was $52.6 billion in fiscal year 2013, with the CIA receiving the largest share. Close behind was the NSA, which intercepts foreign electronic signals to analyze intelligence, and the National Reconnaissance Office, which

operates reconnaissance satellites. Two smaller operations rounded out the top five of the "black" world: the National Geospatial Intelligence Program, which develops imagery and mapping, and the General Defense Intelligence Program, which assesses foreign intelligence and capabilities. Together, these five agencies accounted for over 85 percent of total "black budget" spending.

And who works inside this secret world? The leaked documents revealed that the intelligence community has almost 84,000 civilian employees, in the United States and abroad (with the CIA accounting for the largest share, at more than 21,000). Military officials accounted for 23,400 employees, two-thirds of whom were in the NSA. As Figure 12.2 shows, about 17 percent of the total (21,800) are full-time contractors—like Edward Snowden (who worked for the NSA in Hawaii, after receiving his security clearance following a review by employees working under contract).

FIGURE 12.1 ■ Top Five Recipients of Black Budget Spending



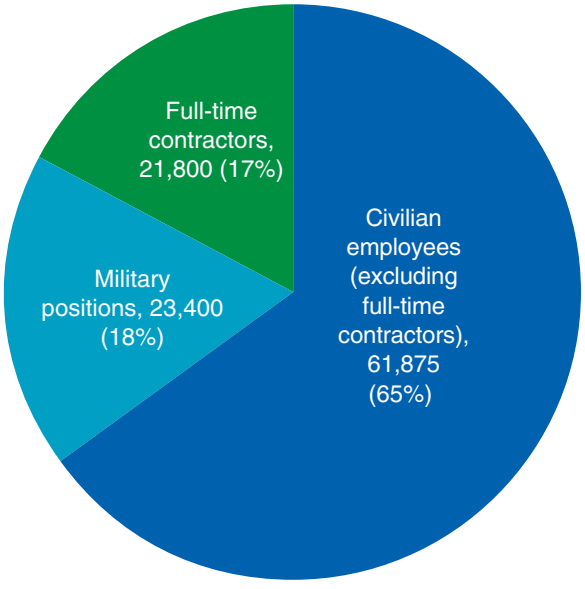
Source: Washington Post, http://www.washingtonpost.com/wp-srv/special/national/black-budget.

Note: The top five recipients amounted to approximately $45.1 billion of a total $52.6 billion (about 85.7%) in black budget spending. The remaining recipients included the Department of Justice, Office of the Director of National Intelligence, Specialized Reconnaissance Programs, Department of Defense Foreign Counter-Intelligence Program, Department of Homeland Security, and Department of Energy.

The bin Laden raid was only part of the huge "black" world. In 2011, the *Post* learned, the intelligence community undertook 231 offensive cybersecurity operations. In an operation under the code name GENIE, American experts hacked into foreign computers to allow the government to monitor their operations and control them from afar. Special targets were China, Iran, North Korea, and Russia, the top-secret documents said. And in an elite operation known as "the ROC" (short for the Remote Operations Center), elite NSA hackers ran a sophisticated effort to discover and exploit defenses in foreign computers.[2]

These "black" operations might not make for the blockbuster drama of a midnight raid by Navy SEALs. But that raid would not have been possible without these "black" operatives—and the operatives define a vast new part of the nation's intelligence operations that had been largely invisible before Snowden leaked the documents.

FIGURE 12.2 ■ Employees in the Intelligence Community


Full-time contractors, 21,800 (17%)
Civilian employees (excluding full-time contractors), 61,875 (65%)
Military positions, 23,400 (18%)

Source: Washington Post, http://www.washingtonpost.com/wp-srv/special/national/black-budget.

Questions to Consider

1. Are you surprised by the dimensions of the "black budget" and the people paid by it? What, if anything, surprises you most?
2. Consider the issues of accountability. Given the competing demands for transparency and oversight, do you believe that the "black budget" is sufficiently accountable?
3. Now consider the future of cybersecurity and "black ops" programs. They're sure to increase, as pressures mount about information security and terrorism. No intelligence official will want to manage programs through the pages of the *Washington Post* or the *Guardian.* What would you recommend for the future of budgeting for these programs?

Notes

1. Craig Whitlock and Barton Gellman, "To Hunt Osama bin Laden, Satellites Watched over Abbottabad, Pakistan, and Navy SEALs," *Washington Post* (August 29, 2013), http://www.washingtonpost.com/world/national-security/to-hunt-osama-bin-laden-satellites-watched-over-abbottabad-pakistan-and-navy-seals/2013/08/29/8d32c1d6–10d5–11e3-b4cb-fd7ce041d814_story.html?wpisrc=al_national.

2. Barton Gellman and Ellen Nakashima, "U.S. Spy Agencies Mounted 231 Offensive Cyber-Operations in 2011, Documents Show," *Washington Post* (August 30, 2013), http://www.washingtonpost.com/world/national-security/us-spy-agencies-mounted-231-offensive-cyber-operations-in-2011-documents-show/2013/08/30/d090a6ae-119e-11e3-b4cb-fd7ce041d814_story.html.

CASE 12.3: THE HIDDEN PUZZLE IN "MEDICARE FOR ALL"

For many would-be voters, perhaps the biggest attraction to the concept of "Medicare for All" is the prospect of ending private insurance. Surveys show that while Americans like their doctors, they sure don't like the insurance companies they have to deal with.

That's understandable. Everyone has a story about a battle with their insurance company, or about a bill they just didn't understand. At my doctor's office recently, a patient came to the desk and the receptionist told him there was a balance due on the account—13 cents. That thrilled his wife, who took the opportunity to empty the pennies out of her purse. On the darker side, though, it's the insurance company that, most often, puts the breaks on the care a patient receives. Someone has to, since we'd go broke (even faster) on health care if everyone got everything they wanted. But that puts the insurance companies on everyone's least-favorite-player list in health care.

So imagine how it might work if we were to decide to federalize all private insurance. After all, surveys show that three-fourths of Americans like Medicare, and more than 60 percent of those surveyed want to steer clear of making major changes in the program. That makes it reasonable to think that Americans would want Medicare for All to be managed the way Medicare for those over sixty-five is now managed.

That, however, sets up an inescapable choice. To make Medicare for All work—indeed, to make any fundamental change in health care—we will either have to dramatically increase the size of the federal bureaucracy, or we will have to transform the insurance companies into a new role.

At the core of this choice is a basic fact: the federal government now funds Medicare (and its related programs, Medicaid and Children's Health Insurance), but it does so with a remarkably tiny staff. These three programs account for one-fourth of all federal spending. The bureaucracy that manages them, the Centers for Medicare and Medicaid Services (CMS), part of the Health and Human Services Department, has fewer than five thousand employees. That's 25 percent of federal spending leveraged by 0.2 percent of all federal workers.

How does CMS work this Medicare magic? The secret sauce in Medicare is the enormous but mostly hidden role of private insurance companies. When a Medicare recipient goes to a health care provider, there is a team member in the back office who sorts out the charges and sends them off to a health insurance intermediary—a "Medicare Administrative Contractor"—that reviews the payments, bills CMS, and passes the payments back to the provider. These are companies most people have never heard of—companies like WPS and Noridian and Novitas—that are responsible for different areas of the country. It's a vast, complex, and hidden private bureaucracy that makes the public program work. And it's how CMS can manage such huge programs with such a tiny staff.

If Medicare is expanded to cover all Americans, someone will have to do the back-office work that the insurance companies now perform—figuring out who is eligible for which treatments, how much those treatments ought to cost, and how to transfer the money from the federal treasury to health care providers. There are now almost half a million people in the United States who do that now in private health insurance companies.

Will Medicare for All wipe out private insurance companies? If so, then that work would have to be done by government. That would mean creating a megabureaucracy almost as large as the Department of Defense, one that would increase the size of the federal government by 25 percent. It's a pretty safe bet that there would be enormous political opposition

to creating such a big federal role. That's been the case for generations, since Harry Truman proposed a similar plan in 1945. When Lyndon B. Johnson won passage of Medicare in 1965, it was part of a deal to avoid creating a big federal bureaucracy, to tamp down some of the fears about "socialized medicine." The system of public payments through private intermediaries was the result.

Maybe the passage of a Medicare for All plan would mean that the politics had changed enough to allow the creation of a super-department in the federal government. But it's just as likely that creating the program might be all that supporters could manage. Establishing a mega-agency might be too much, and that would mean running Medicare for All like the current Medicare for the elderly.

In that case, the federal government would face the challenge of leveraging one-sixth of the entire economy through tiny CMS. The complications of running such an operation put Medicare on the Government Accountability Office's high-risk list (the federal programs most prone to fraud, waste, abuse, and mismanagement) in 1990—and it has remained there ever since. That would be a very, very hard thing.

Now, let's add one more administrative wrinkle. Even if Congress creates a Medicare for All program, managed like the current Medicare program, there will be irresistible pressure to allow citizens to top-off their coverage with private plans if they so choose. After all, that's the case now for Medicare, and in both Canada and the United Kingdom, for example, citizens can buy private plans to supplement government coverage.

The United States has a rich tradition of allowing citizens to buy their way to the front of the line. Consider airport security, where $85 will get a traveler five-year access to TSA's PreCheck, with (often) shorter lines and no need to remove one's shoes. For $179 a year, a traveler can use CLEAR to jump to the head of the PreCheck line, without even having to dig out an ID.

So, no matter what, private insurance companies aren't likely to go away. A safe bet is that we'd end up with a public-private system—something like the current hybrid, on steroids.

That, in turn, will mean that private companies would have a lot of power over big issues in the public program. Who would be eligible for which services? How much should providers be paid for these services? Those decisions are shared now between government and the private insurance companies, and that can't change if a tiny five-thousand-person agency remains in charge of Medicare.

This is the sleeper issue at the core of the Medicare for All debate. Just how will the crucial connective tissue work to iron out the big decisions about who pays (government or companies or individuals) and who delivers (private providers, if more than fifty years of Medicare's history is any guide).

This sleeper issue has received almost no attention in the debate over the future of health care. If Medicare's experience is any guide, that's where the biggest and most fundamental questions about Medicare for All would be sorted out. As the launch of Obamacare painfully makes clear, those are questions best tackled before launch, so they don't become big flash points later.

Questions to Consider

1. Does the size of the contractor role in the Medicare and Medicaid programs surprise you? Do you think that this is a good—or a bad—administrative strategy?
2. If we seek to expand health insurance in the United States—and, in particular, if we seek to embrace Medicare for All, how should we manage it?
3. Given the current heavy reliance on contractors, what steps would you recommend to hold the contractors accountable?

KEY CONCEPTS

appropriations
black budget
budget authority
capital budgets
continuing resolutions
debt
deficit
fiscal policy
fiscal year
furloughs
incrementalism
macroeconomics
management by objectives (MBO)
monetary policy
national debt
outlays
Planning-Programming-Budgeting System (PPBS)
rule of anticipated reactions
sequestration
surplus
uncontrollable expenditures
Washington Monument ploy
zero-base budgeting (ZBB)

FOR FURTHER READING

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SUGGESTED WEBSITES

A rich amount of information about the federal budget is available on the internet. An excellent place to start is the Office of Management and Budget (OMB) website, **www.whitehouse.gov/omb**, which contains each year's budget as proposed by the president, voluminous supporting information, and historical tables to track the budget's long-term trends. Several databases can be downloaded from this website into spreadsheet programs, which makes analysis and charting easy.

The Congressional Budget Office's website, **www.cbo.gov**, contains a wide variety of studies and analyses. In addition, its historical tables provide useful information that often breaks down government spending and income differently than OMB's data, which often can be useful in considering long-term trends, especially for entitlement, discretionary, and uncontrollable spending.

The president's Council of Economic Advisers publishes analyses at **www.whitehouse.gov/cea**, as does the Board of Governors of the Federal Reserve System at **www.federalreserve.gov**.

In Harlem, New York City's Police Athletic League teamed with the Office of Special Narcotics Prosecutor to implement a new play street in the neighborhood.

Source: Anadolu Agency via Getty Images

13 IMPLEMENTATION AND PERFORMANCE

LEARNING OBJECTIVES

- Examine the roots of the theory of implementation
- Understand the forces that contribute to success and failure in program implementation
- Examine the steps for producing success in blended government
- Understand the problems of performance
- Examine the links between implementation and blended government
- Explore the role of state and local governments and the private sector as partners in implementing government programs
- Examine the role of performance management in improving program implementation

In January 2018, a Hawaiian state government worker clicked the wrong button on a computer screen and mistakenly sent out an alert warning that the island was under missile attack. Tourists and residents alike, on edge after months of threats and counter-threats between the United States and North Korea, scrambled to shelters. Some residents hurriedly tried to send what they thought were final farewells through the crowded cell phone networks, and a Catholic bishop solemnly gave his parishioners a general absolution of their sins, all the better to speed their way to paradise. It took thirty-eight minutes for state officials to figure out how to send a "false alarm" update, in part because the governor had forgotten his Twitter password. Some experts warned that such a single mistake by a lone state government official could lead to unintended nuclear war, by feeding misperceptions on both sides in the middle of a crisis.[1]

After it became clear that the alert was a false alarm, it became the stuff of jokes by late-night comedians. For those in Hawaii who endured it, however, the issue was deadly serious. They struggled to figure out how tens of thousands of people could be brought to the edge of such terror. How could it possibly have happened?

It turned out that the state employee had made a mistake, during a shift change, of hitting the wrong keys. The system was constructed to make it easy to send out an alert—all the better to make it simple to warn citizens in case of an attack. There weren't many roadblocks in the way of the alert reaching citizens and, as Hawaii's officials found out, it proved far easier to send out the alert than to cancel it.

And in this story is a series of important lessons about how public administration works. It is one thing to set a policy, but it's quite another to carry it out. The federal government might have a policy—protect citizens from attack and alert them in case of danger—but it is not large and wide-ranging enough to carry out the policy by itself. It must rely on state and local government officials to share in the implementation of the policy. But because state and local governments have their own bureaucracies, separate from the federal government's system, the

feds cannot simply give orders to the officials with which they work. Instead, they must rely on negotiating partnerships. Individual agencies might have hierarchies structured by authority, as we saw in earlier chapters. But much of the process of implementing complex programs relies on equally complex partnerships. Officials at the top cannot manage them simply by giving orders and, as a result, the success and failure of programs depends on how well the partnerships work.

This is true for areas like the national security issues in which Hawaiian officials found themselves. But it is true, as well, for many of the important policies on which Americans depend, from education in local schools to policing that keeps neighborhoods safe. Implementation depends on complex partnerships, because few programs that mattered can be managed by any single organization. Implementation is a deep and lasting problem. More than 125 years ago, Woodrow Wilson—then a professor at Princeton University before his days as U.S. president—wrote that "it is getting harder to *run* a constitution than to frame one."[2] To Wilson's observation, add this: it is easier to *write* laws than to *execute* them. And the challenge of executing them is getting ever greater.

THE FIELD OF IMPLEMENTATION

Concerns about the execution of laws gave birth in the 1970s to a field of study called **implementation**. Traditional public administration concentrated on government *agencies*, with the goal of understanding how they operated and how they could work better. Implementation, in contrast, concentrates on *programs* and why, too often, their results seem to disappoint. It's not a happy tale, public opinion polls have found. A 2015 Pew survey showed that just 20 percent of Americans thought that the federal government was doing an "excellent" or "good" job running its programs, down from 25 percent in 1997. Republicans had an even more negative view, with just 10 percent believing that the federal government was doing at least a good job.

However, when questioned in detail about individual programs, Americans said they thought the federal government did more "good" than "bad" in all areas except helping people get out of poverty and managing the immigration system (see Figure 12.2).[3] Hillary Clinton talked about the former in her 2016 presidential campaign. Donald Trump made immigration the centerpiece of his.

The Pew survey reinforces a basic and troubling finding. Americans don't trust government much or believe it generally performs well. But they like and appreciate much of what it does. There's a large gap between their views of government in general and perspectives on government programs in particular. And that frames our basic problem of implementation. How should we look at the issue? And what can we do to make implementation work better?

JUDGING PROGRAM SUCCESS AND FAILURE

This process called "implementation" can be a bit confusing: isn't the entire public administration field about the management of government programs, and thus about implementation? In broad terms, the answer, of course, is yes. As long as people have been engaged in the

administration of government, from the earliest days of human civilization, they have been worried about translating policy decisions into implementation. The book of Exodus in the Bible says that Moses shattered the first version of the Ten Commandments because, as he came down from the mountain, he discovered that his people were already violating the new rules they had agreed to follow.

However, the study of implementation as a discrete process in administration is more recent. In 1973, Jeffrey L. Pressman and Aaron B. Wildavsky sparked great interest with their book, *Implementation.* The book's subtitle ranks as one of the greatest in the field's history: *How Great Expectations in Washington Are Dashed in Oakland; Or, Why It's Amazing That Federal Programs Work at All, This Being a Saga of the Economic Development Administration as Told by Two Sympathetic Observers Who Seek to Build Morals on a Foundation of Ruined Hopes.*[4] Their worry: too many programs start with overly ambitious promises, which lead to disappointing results. In fact, Pressman and Wildavsky argued, implementation analysis concentrates on the *results* of administrative action, not just on its *process.* Pressman and Wildavsky believed that results too often fall short of promise because the "seamless web" of programs tends to become very complex—and the greater the complexity, the greater the chance of failure.[5]

Implementation studies have often been depressing reading. After Pressman and Wildavsky's book came a long collection of failure stories. One study concludes, "Domestic programs virtually never achieve all that is expected of them."[6] Others see the process as "an uphill battle from start to finish."[7] Some scholars of implementation look on themselves as physicians seeking to diagnose the many diseases afflicting governmental programs.[8] The field is the very embodiment of Murphy's Law: "If anything can go wrong, it will." Indeed, the presumption of failure seems endemic to the study of implementation.[9] It is mostly a collection of programs that go wrong and promises that disappoint.

This argument, however, builds on a wobbly foundation. Problems are more interesting, but focusing on them provides a distorted view of reality. Successes rarely attract attention. Newspapers never feature banner headlines declaring "Mail Delivered Yet Again Today," "Thousands of Flights Land Safely Because of Air Traffic Control System," "Fire Department Successfully Puts Out Four-Alarm Fire," or "Rescue Squad Saves Life of Accident Victim." Of course, bad news deserves attention, because taxpayers and policymakers alike deserve to know when programs fail and why. But it would be a mistake to use news coverage and the speeches of public officials as evidence of how well public programs work. Successes are often ignored, and failures dominate the headlines. In fact, from the quick response of emergency medical technicians to the backwoods work of forest rangers, most governmental programs work pretty well most of the time. The trick is determining what works well, what does not, and how to transform the latter into the former.

What Are Success and Failure?

Judging whether a program works requires comparing its results with its goals. In practice, however, knowing what a program seeks to do is often very difficult. Legislative objectives are often unclear. There frequently are many of them, sometimes they conflict, and they almost always change over time. In the Johnson administration's War on Poverty, for example, the

law required local communities to provide "maximum feasible participation" for the poor in making spending decisions. This was a classic example of fuzziness. What did "participation" mean? Just how much was the "maximum," especially when put through the filter of what was "feasible"? A leading expert on the program, and later a U.S. senator, Daniel Patrick Moynihan, said that the law produced only "maximum feasible misunderstanding."[10]

Legislative goals are often vague because that's typically what it takes to win the votes necessary to pass a law. It's usually easier to put together a coalition if there are fewer things for legislators to object to, so vague—even conflicting—goals are often the product of the legislative process.[11] It's no surprise that the debate about what a program is supposed to accomplish—and whether it's been a "success" or "failure"—becomes a continuation of the struggles that shaped the program to begin with.

Moreover, goals can change over time. In New Haven, Connecticut, for example, local officials created a youth employment program. The original goal was to place program participants in union jobs, but a slowdown in building construction made that difficult, so the officials broadened their goals to include nonunion placements. When they found that the sixteen-year-olds in the program were too young to work in some construction jobs, they recruited older participants than the program was first designed to recruit. And when the officials discovered that most participants lacked the high school degree that many apprenticeship programs required, the director of the program taught an evening General Educational Development (GED) class to help participants qualify for apprenticeships.[12]

No matter how fuzzy, however, goals and objectives are critical for shaping how administrators manage their programs. Donald Rumsfeld, who served twice as secretary of defense (for Presidents Gerald Ford and George W. Bush) and once as chief of staff (for President Ford), collected a series of axioms outlining the problem. He called them "Rumsfeld's Rules" and quoted World War II General George Marshall as saying, "If you get the objectives right, even a lieutenant can write the strategy." To that he added, "When you're skiing, if you're not falling you're not trying."[13] Clear objectives make implementation much easier. Government often works on hard problems that the private sector cannot or will not take on. Many of government's programs—and many newspaper stories—demonstrate how hard it is to turn Rumsfeld's simple rules into effectively administered programs. Government constantly risks falling down the slopes because it contends with some of society's slipperiest challenges.

Moreover, implementation simply isn't a straight-line, start-to-finish process. Most of the time, it's part of a complex system where each event affects the next. It is often a highly political process. The rich dynamics of American politics play themselves out in administrative struggles, just as they do through legislative, judicial, and executive decisions.[14]

PRODUCING SUCCESS IN BLENDED GOVERNMENT

As we have seen throughout the book, government is drifting past the traditional hierarchical model to a world of blended government, in which implementation depends on collaboration across organizations, across levels of government, across sectors of society, and often across nations. The hierarchical model is a very poor fit for most of the problems that society faces.

But collaboration is often a very tall order for the very toughest problems. Government can't reorganize itself out of the challenges it faces or muscle its way through with a command-and-control approach to problem solving.

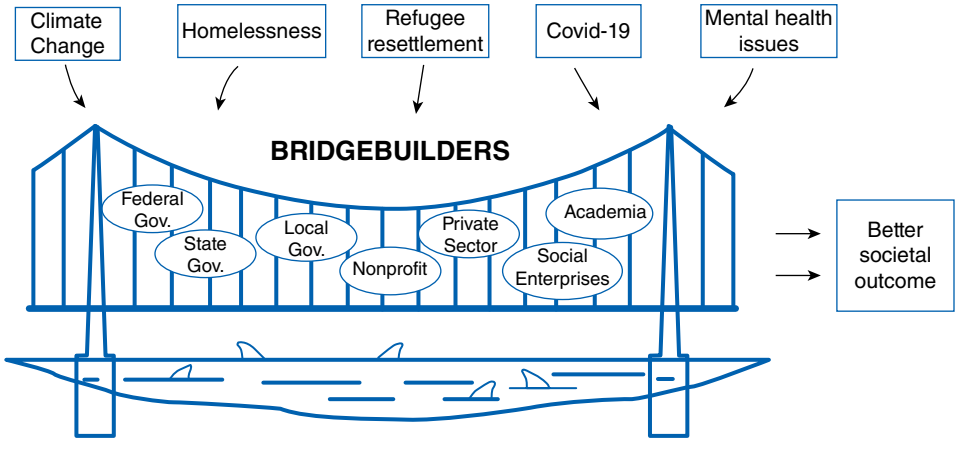
The fundamental problem is that different organizations have different purposes, and the people who work for them naturally pursue different goals. Whenever the government relies on a proxy to produce a service, it faces the task of trying to impose its goals on the often very different objectives of the proxy. Conflict is the least problematic outcome that can result from such a process. Deflection of the government's goals toward those of its proxy is the most problematic outcome.

The chain of implementation increasingly is not a hierarchical set of linkages structured by authority but, rather, a collection of organizations working—often loosely—to collaborate with each other. These continuing interactions shape and reshape policy implementation.[15] Managers often do not manage their agencies so much as they manage the *partnerships* that define their agencies' success. They also can make the implementation process exceptionally challenging.

In the book *Bridgebuilders* that I coauthored with William D. Eggers, we argue that we need a government of bridgebuilders, public managers, and leaders who collaborate with partners, both inside and outside government, to get the job done. They manage horizontally instead of vertically; they see their role as connectors; and they identify which players have the assets needed to solve the problems at hand. Government can't reorganize itself out of the challenges it faces or muscle its way through with a command-and-control approach to problem solving. Bridgebuilders provide a new model that leaders can apply right now to transform government performance and restore public trust.[16]

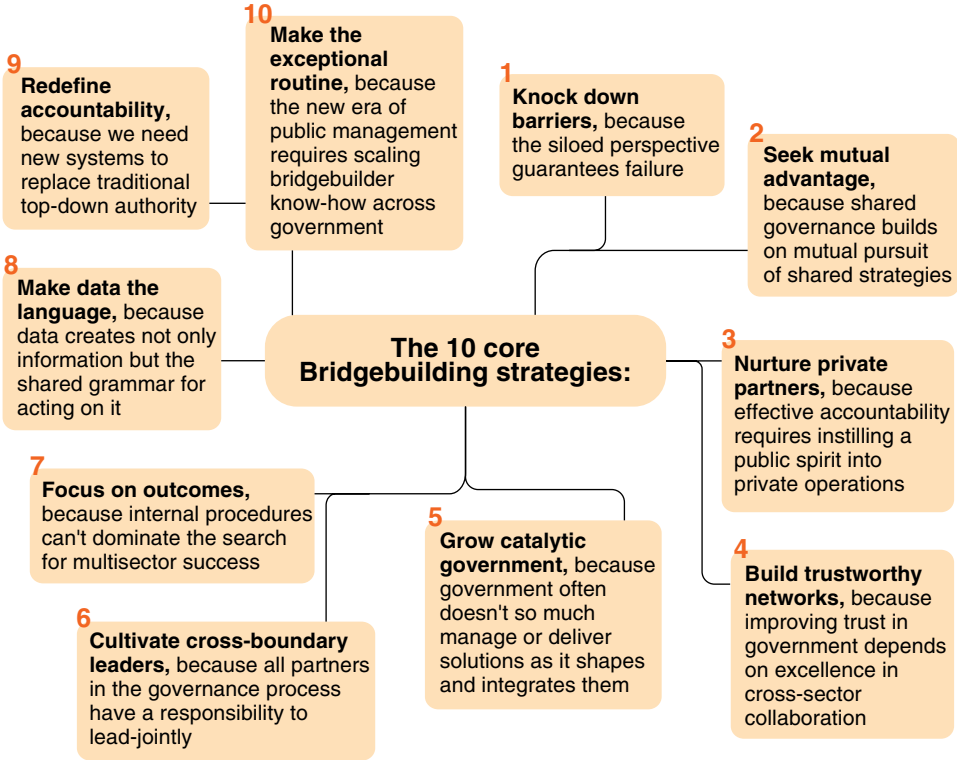
Bridgebuilders connect the players in implementation who are responsible for producing results in a host of policy areas, from climate change and homelessness to mental health and COVID-19 (see Figure 13.1). Bridgebuilders rely on ten core strategies, we found (see Figure 13.2).

FIGURE 13.1 ■ How Bridgebuilders Produce Collaboration



Source: William D. Eggers and Donald F. Kettl, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Cambridge, Mass.: HBR Press, 2023).

FIGURE 13.2 ■ Core Bridgebuilder Strategies


The 10 core Bridgebuilding strategies:
1 Knock down barriers, because the siloed perspective guarantees failure
2 Seek mutual advantage, because shared governance builds on mutual pursuit of shared strategies
3 Nurture private partners, because effective accountability requires instilling a public spirit into private operations
4 Build trustworthy networks, because improving trust in government depends on excellence in cross-sector collaboration
5 Grow catalytic government, because government often doesn't so much manage or deliver solutions as it shapes and integrates them
6 Cultivate cross-boundary leaders, because all partners in the governance process have a responsibility to lead-jointly
7 Focus on outcomes, because internal procedures can't dominate the search for multisector success
8 Make data the language, because data creates not only information but the shared grammar for acting on it
9 Redefine accountability, because we need new systems to replace traditional top-down authority
10 Make the exceptional routine, because the new era of public management requires scaling bridgebuilder know-how across government

Source: William D. Eggers and Donald F. Kettl, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Cambridge, Mass.: HBR Press, 2023).

There are ten strategies for implementing blended government:

1. *Knock down barriers.* The traditional strategies often create silos that make it difficult to connect across organizational boundaries.
2. *Seek mutual advantage.* Collaboration works best when it becomes a win-win game for everyone.
3. *Nurture private partners.* Contractors and other private-sector partners play an increasingly important role in policy implementation.
4. *Build trustworthy networks.* Trust builds on collaboration that produces results across multiple boundaries.

5. *Grow catalytic government.* Government does not have to deliver all programs, but it needs to make sure that it shapes and integrates the strategies required to produce results.
6. *Cultivate cross-boundary leaders.* Leadership is not the responsibility of just a small number of top officials but of everyone who works within this collaborative process.
7. *Focus on outcomes.* The easiest way to build collaboration is to develop consensus on results among all the players.
8. *Make data the language.* Data isn't just about information—it's about creating a shared language and grammar for driving activity toward results.
9. *Redefine accountability.* Traditional accountability relies on hierarchical authority, but accountability in blended government depends on producing the desired outcomes.
10. *Make the exceptional routine.* It sometimes is possible to build collaboration for exceptional problems, like COVID-19, but success across public policy requires making this strategy the core for how everyone does business.

The implementation literature is full of tales of woe, but these ten steps, we found, vastly increase the odds of success. Moreover, they can promote **legitimacy,** by building public support for programs, not only among stakeholders but also in political commitment for pursuing public goals.[17]

PROBLEMS OF PERFORMANCE

Despite these steps for success, four problems tend to resurface, over and over again: (1) uncertainty about how to reach a program's goals; (2) inadequate resources to get the job done; (3) organizational problems that interfere with an agency's handling of its programs; (4) uneven leadership in guiding bureaucracies through difficult issues.

Uncertainty

Difficult problems may have no known solutions—and the toughest problems usually end up at government's doorstep. After all, the reason why many problems become governmental problems is that the private sector cannot, or will not, solve them. That realization often leads policymakers to embrace the merely plausible, the currently fashionable, or the most powerfully supported program. One local official once described this to me as the "nifty idea, I'm for that!" approach to problem solving. Elliot Richardson, a member of President Richard Nixon's cabinet, wrote in more detail:

> Our impatience toward delays in curing social ills reinforces the "don't just stand there, do something" impulse. [This syndrome] encourages . . . the illusion that we know how to cure alcoholism, treat heroin addiction, and rehabilitate criminal offenders. In fact,

> we do not. The state of the art in these areas is about where the treatment of fevers was in George Washington's day.[18]

In fact, George Washington's wife, Martha, died of a fever. Washington himself was bled for a fever he contracted, and the treatment contributed to his death. Fashion often shapes strategies, but such strategies very often build on uncertainty.

Even when the uncertainty is technological, formidable challenges often remain. The Soviet nuclear disaster in Chernobyl, near Kiev, in 1986 and the tragic disintegration in February 2003 of the space shuttle *Columbia* all too vividly demonstrate the tremendous difficulty of attempting complex engineering tasks in never-before-attempted systems. Engineers designed Japanese nuclear reactors to survive a massive earthquake—which they did when a 9.0 temblor hit in March 2011. The resulting tsunami, however, swamped the seawalls protecting the reactors and knocked out the cooling systems. When the problem is social instead of technological, as with welfare programs, the uncertainty about how to deal with complexity is different, though just as troubling.

Knowledge is always imperfect, and that makes it hard to devise strategies to solve complex problems, and solutions that sometimes look smart can lead to unintended consequences. Programs intended to reduce the oversupply of major agricultural crops have offered subsidies to farmers for taking some of their acreage out of production, and farmers sometimes have removed their poorest-yield acres from production. The ingenuity of taxpayers seeking loopholes in the Internal Revenue Service's (IRS) voluminous regulations is legendary. IRS managers struggle to keep up with the inventiveness of thousands, or millions, of clever attorneys, accountants, and other experts who make it their business to find loopholes and save their clients' money.

Uncertainty thus often handicaps program implementation. Complex technologies, from space shuttles to nuclear reactors, from the internet to electronic commerce, produce problems that are hard to predict. Interactions between people, and between citizens and their government, are even harder to forecast and influence: people often do not know what they want done, not just in government but in many aspects of an intricate society—and even when they do know, they often do not know how to do it. All these uncertainties can hurt the performance of governmental programs, as the 2019 historical drama on the reactor meltdown, *Chernobyl,* made clear in gripping fashion.

Inadequate Resources

The resources, in both budgets and skilled personnel, often aren't adequate to implement the ambitious programs created by legislatures. Cynics, of course, argue that government is full of unnecessary bureaucrats, but in fact there's often a large gap between government's capacity and the job to be done. As government's problems have become more complex and as the solutions have depended more on blended government, the challenge of developing skilled managers to bridge the gaps among agencies has become much greater.

During the COVID-19 outbreak, the federal government paid to test for COVID-19 and to supply immunizations to the people. Toward the end of 2022, however, health policy experts warned that the money for the free tests and vaccines was going to dry up, even though the

problem of COVID-19 certainly had not. As Cynthia Cox, a health insurance expert with the Kaiser Family Foundation, explained as the money was running out,

> The way that it works in the US [as the federal government supplied the cash] is actually more similar to how a lot of health care works in other countries too. But when the public health emergency ends, it's going to start looking like health care in the US does, which is that it's complicated and costs a lot of money.[19]

That vastly increased the chances that the poor and uninsured would not have access to tests, vaccines, and pandemic health care, because they did not have access to health insurance.

Sometimes, too, problems of implementation come from simply not having enough government employees to manage programs. As people scrambled to file their income taxes, they often reached out to the IRS for help. Calls to its helpline, however, got through only 10 percent of the time. The problem, analysts concluded, was that the IRS customer workforce had decreased by more than 40 percent since 2010.[20]

Organizational Pathologies

Some agencies have an open culture and are extremely friendly toward new programs. In other agencies, however, new ventures seem like unwanted children. Common organizational problems often undermine implementation.

First, it is risky to mix missions. For example, the core mission of the U.S. Department of Veterans Affairs (VA) is to provide health care and benefits to vets. But it is not as good in hospital construction. Its struggles to build a new VA hospital in Denver led to a $1.1 billion cost overrun.

Second, it is risky to place a program in an agency whose staff is unsympathetic to the program.[21] Trump administration appointees in the Environmental Protection Agency (EPA) worked hard to undermine previous environmental standards. But when state officials saw the policy changes, some of them—especially in Democratic "blue" states like Maryland, New Mexico, New York, Oregon, and Washington—created their own policies to counterbalance the Trump program.[22] Many critics blamed the move of the Federal Emergency Management Agency from independent status to part of the new Department of Homeland Security for its failure in 2005 to move more swiftly to deal with the many disasters that Hurricane Katrina produced.

Third, it is risky to assign *closely related* programs to *different* agencies. The program manager's strategy may then depend on the strategies and actions of his or her rivals, and bureaucratic objectives may tend to replace public policy objectives. In the competition for "customers," the manager may overserve or underregulate the clientele shared with other programs. Classic examples include the competition between the Army Corps of Engineers (in the Defense Department) and the Bureau of Reclamation (in the Interior Department) to build dams, and local governments' shopping around among the four federal agencies (the Departments of Agriculture, Commerce, and Housing and Urban Development, as well as the EPA) that can make sewage treatment construction grants. In the regulatory arena, three

federal agencies oversee banks: the Comptroller of the Currency (in the Treasury Department) as well as the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (both independent regulatory agencies). The result, said one Federal Reserve chair, is "a jurisdictional tangle that boggles the mind" and fosters "competition in laxity, sometimes to relax constraints, sometimes to delay corrective measures. Agencies sometimes are played off against one another."[23] That tangle vastly complicated efforts in the late 1980s to solve the savings-and-loan crisis and created even worse problems in managing the recovery from the 2008 financial collapse.

Inconsistent Leadership

As Ralph Waldo Emerson put it, "an institution is the lengthened shadow of one man."[24] For a generation, the Federal Bureau of Investigation was indeed the lengthened shadow of director J. Edgar Hoover. The early success of the Peace Corps owed much to the energetic leadership of Sargent Shriver, and James E. Webb managed NASA's remarkable drive to the moon in the 1960s. Tom Ridge guided the first uncertain steps of the federal government's homeland security operations. At the state and local levels, great leaders have often dominated individual agencies. Bureaucratic entrepreneurs have radically transformed government agencies with the force of their ideas and energy.[25]

However, poor leaders can lead to poor results. As James Q. Wilson has pointed out, "the supply of able, experienced executives is not increasing nearly as fast as the number of problems being addressed by public policy." And, he continued,

> the government—at least publicly—seems to act as if the supply of able political executives were infinitely elastic, though people setting up new agencies will often admit privately that they are so frustrated and appalled by the shortage of talent that the only wonder is why disaster is so long in coming.[26]

We often fall short of what we seek to accomplish because our government agencies fall short of the leadership talent they need. The problem gets even worse when agencies have only temporary leaders because of the failure to get appointees nominated and confirmed. Two and a half years after Donald Trump's 2017 inauguration, for example, 131 out of the 713 key positions requiring Senate confirmation had no nominee. In the Department of Homeland Security, just 41 percent of the key positions had confirmed officials in place. In the Department of Justice, it was 48 percent, with 57 percent in the EPA.[27] The Biden administration did better, two years after his election, with 465 of the key positions confirmed by the Senate, but still 79 positions had no nominee.[28] The lack of leadership can stymie implementation.

IMPLEMENTATION AND BLENDED-GOVERNMENT STRATEGIES

Much of the difficulty of implementation comes through the complexity of government's tools, and some of the most complex tools are federalism and contracts.

Blending through Federalism

That's especially the case for intergovernmental programs, which increasingly shape the implementation of domestic programs. The 2014 failure of the new water system in Flint, Michigan, which exposed residents to lead in their drinking water, was the product of intergovernmental friction. The federal government delegated responsibility for overseeing national water standards to Michigan's environmental quality agency. State officials oversaw the operation of Flint's local government. The same holds for much of the nation's regulation of food safety, where state governments have increasingly taken over responsibility for investigating the causes of food-safety problems, as they oversee national policy. Under the Affordable Care Act, the Obama administration's signature health insurance program, state governments are on the front lines, responsible for ensuring that citizens have quality health insurance to buy—except in those states that have opted out of the program, and where the federal government therefore has had to step in. This kind of intergovernmental blending creates a quirky fabric of sometimes unimaginable complexity.

The history of grants stretches back into the nation's history. During the Great Depression, for example, Franklin D. Roosevelt's New Deal funded grants that paid for a vast array of public projects. They included the striking Red Rocks Amphitheater in Colorado and New York's Central Park Zoo. There is the dinosaur park in Rapid City, South Dakota, and the River Walk in San Antonio.[29] The stamp of federal grants stretches across the country, often without our realizing the heritage it has created.

Federal grants to state and local governments are of two general types. There are traditional grants, in which the federal government provides money, either under a formula or through competition, to state and local governments, for a wide range of projects. Such grants have built the interstate highway system and upgraded many bridges. They provide support for water treatment systems and housing programs. Many community development and job training programs receive federal support. The other type of grant comes for payments to individuals. The most important of these grants programs is Medicaid, created in 1965 to provide health care for low-income citizens—mostly children, poor families, and the elderly who have outlived their savings. Although the federal government funds a large proportion of the Medicaid program, state governments are the program's primary administrators, and they add a substantial share of the budget from their own tax revenues—27 percent of state budgets, covering 76 million people in 2021.[30] These formula programs will rise to 74 percent of all federal grants by 2027, compared with 38 percent in 1970.[31]

Traditional project grants grew steadily until the late 1970s, and then leveled off (after accounting for inflation). Grants for payments to individuals, however, have grown steadily and dramatically, largely because of the growth of Medicaid. For those who meet the program's income standards, it provides support to pregnant women, dental and immunization coverage for children, therapy for children with autism, physician services and prescription drugs for those with HIV/AIDS, and nursing home care for the elderly. Senior citizens make up one in four of the program's beneficiaries, but they account for two-thirds of Medicaid spending, especially because of the cost of long-term nursing care. In fact, Medicaid covers health care for 38 percent of all the nation's children, 49 percent of all the births in the country, 45 percent of

adults with a disability who aren't elderly, and 62 percent of all nursing home residents.[32] But Medicaid isn't one program but fifty-one: a different program in every state as well as in the District of Columbia. The program is exceptionally complex. Its management requires great skill.

The administrative complexity of Medicaid, in fact, is one of the great public administration challenges of the twenty-first century. Medicaid is a program created by the federal government. State governments add in their share of the costs. To manage the program, the states either engage in a fee-for-service arrangement or contract with managed-care plans. In a fee-for-service arrangement, private-sector health care services actually provide the care, and the states reimburse them for a negotiated cost. In a managed-care plan, the state negotiates with a private company, which is responsible for the full range of care covered by the program for a price agreed upon in advance. The managed-care companies can keep as a profit whatever they don't have to pay for care; if costs exceed the payments, then they are responsible for covering the difference. The managed-care arrangement has become more popular in many states, and more than two-thirds of the Medicaid program's beneficiaries are enrolled in managed-care programs. Many states are moving toward this option because it provides greater certainty about what the cost will be on their budgets, but it also requires great analytical and management skill in state agencies, because top officials need to be able to negotiate shrewdly on how large the payment to the managed-care company should be.[33]

Behind the complexity is a series of simple facts. Medicaid is a large and growing share of state budgets. It's a program that operates with a federal subsidy and with funds from state budgets. It's a program that the government funds but that the private sector operates. It's a different program in every state. It's a program that's more important to a growing share of the population. And to make it work well, state governments need a high level of administrative expertise.

Intergovernmental administration of government programs thus has become a central cornerstone of implementation. The system is exceptionally varied and complicated, but state and local governments have become natural, if sometimes reluctant, administrative partners in federal programs. By relying on them, the federal government promotes the principles of responsive self-government that date from the nation's earliest days.[34] After all, the federal government is the creation of the states, and we've chosen to call ourselves the *united states* in the continent of America. The intergovernmental system often strains under the weight of its burdens, and it's struggled with budget cuts, but the strategy of interwoven responsibility through federalism is here to stay.

Blending through Contracting

Contracting in America is older than American government itself. As commander of the Continental army, George Washington constantly struggled with his private suppliers, who schemed to make a quick profit at the expense of his soldiers.[35] Contracting issues, in fact, go back thousands of years. Julius Caesar had his own troubles in dealing with the private merchants on which he relied for supplies during his foreign campaigns.

Contracting now stretches into virtually every nook and cranny, and every level, of American government. Governments have long relied on for-profit contractors to build roads.

Minneapolis hired a private organization to manage its schools and linked its pay to performance on educational goals. Contractors administer Florida's child welfare program. The city of Los Angeles decided to contract out the management of its convention facility. The Texas Department of Transportation moved most of its information technology workers to a private company, in a search for greater productivity. Most state governments rely on their counties to administer social service programs, and many of these programs are administered through nonprofit organizations that serve as contractors. It's hard to find any area of government at any level that has not joined the march to greater contracting out.

The federal government obtains a substantial amount of goods and services for its operations through **contracts** with private companies, research institutions, and individual consultants. In fiscal year 2022, federal spending on contracts totaled about $958 billion, about one of every eight federal dollars—and about the size of Sweden's total economy.[36] The Department of Defense accounted for most of the contracting, followed by the Departments of Energy, Health and Human Services, and NASA.

The federal government contracts out for a remarkable range of activities. Traditionally, contracts have dealt with such needs as the purchase of supplies and equipment and the lease of buildings, but now contractors also provide research and development of everything from new weapons systems to new treatments for bioterrorism. Contractors do much of the work of the space program; indeed, 90 percent of NASA's budget goes to contracts.

Contracting has spread far into the defense and intelligence services, including what P. W. Singer calls the rise of a new "privatized military industry" in which hundreds of companies, thousands of employees, and billions of dollars work to support the armed forces.[37] In the wars in Afghanistan and Iraq, contractors provided most of the logistical support, from trucking in gasoline to cooking the meals. The contractors trained the Iraqi police force and guarded military convoys. When American administrator Paul Bremer traveled around Iraq, he flew in a helicopter operated by a private security company, which also provided his personal bodyguards. And in 2004, when investigators learned that American soldiers had been caught on camera torturing Iraqi prisoners, they also discovered that the prison personnel included security officers and interrogators who were private contractor employees. In the end, there were as many contractor employees as soldiers in Iraq. Half of all the spending for the war in Afghanistan was on contracts.[38]

Advantages of Contracting

Contracting out has several important advantages.

Flexibility

Because contractors are not permanent government organizations, staffed by permanent government employees, contracting out provides government with greater flexibility, especially in coping with surge demands, like gearing up to support a war or a new highway program. Government managers often value the ability to bring new teams in fast to deal with new problems, and reliance on contractors makes that easier. Once relationships are created, however, it can be hard to end them; it's easier to contract out than to end the contracts. But contracting out

provides much-valued additional flexibility. For short-term projects, it's often attractive to avoid setting up long-term bureaucratic units for short-term problems.

Cost Savings

Many proponents argue that contracting out saves money. During the Reagan administration, for example, a presidential commission concluded that "privatization" of many goods and services would improve them and that it would be better to have government "provide services without producing them"—that is, by contracting out.[39] Analyses of cost savings, however, vary widely. Public employee unions often complain that private contractors don't pay their employees equivalent benefits, like health care and vacation time, or that they lowball their cost estimates only to have costs increase over time. Cost comparisons between public and private provision of services are always a matter of fierce contest.

Special Expertise

Contracts enable the government to obtain the services of outside specialists. An agency may not have workers with the needed skills, or its employees with those skills may be fully occupied with their regular duties. For some assignments, the most competent specialists may be found outside government either because the pay is better or because they favor the work environment in universities, research institutes, and private companies. This is especially true for service contracts, where contractors do everything from long-term planning to short-term website design.

Reducing Red Tape

Contracting also tends to bypass the bureaucratic syndrome that handicaps large government agencies: the very bureaucratic rules designed to promote fairness, competence, and accountability can prevent quick and effective action on problems. An independent organization can sometimes assemble an integrated team to study multidimensional problems. Within government, such efforts often encounter all the difficulties of interagency coordination.

Administrative Body Counts

Contracting is often attractive because contractors' staff members are not counted as government employees and are not subject to regulations governing the civil service. Budget constraints sometimes put ceilings on the number of government employees, and elected officials sometimes look to the number of government employees as a measure of agency size. Government agencies can rely on contractors to expand their capacity without growing the number of employees.

Problems with Contracting

Contracting out can also pose problems, often the mirror images of their advantages. Consider these issues.

Choice of Contractors

Governments deal with a vast variety of contractors. Some are operated for profit, while others (such as universities) are nonprofit organizations. Some do most of their business with

government, while government is only a relatively small share of their work. Some are very large organizations, while others are small—and government has long had an explicit policy of encouraging work with small and minority-owned contractors.

The theory of contracting is that competition among contractors will produce lower costs and higher value. But many large contracts have few potential bidders. One of the richest contracts in federal government history, a $4.5 billion competition for a new government telephone system, drew sustained interest from only two groups of bidders—and the contract was so complicated that even AT&T did not tackle the project on its own.[40] Because only two American companies are equipped to build submarines, the Pentagon believes that it is in the national interest to keep both companies in the business, so it often splits or alternates contract awards to ensure that both companies survive. Only one American company can build aerial refueling tankers for the Pentagon. Government is limited in how tough it can be in the oversight of contracts once they are signed because it has few—if any alternative—suppliers. The theory of market competition sometimes doesn't work in practice.

Overspecification

Government contracting, especially for weapons, tends to prescribe "ultra" features to outperform any potential threat or surpass any potential problem. In defense and space programs, the risks of failure can be catastrophic, so it's understandable that government sets tough specifications. During the Clinton administration, however, Vice President Al Gore frequently complained that the telephones on Navy ships were designed to continue working even if the ship itself sank. Overspecification is the product of what's often known as "goldplating."[41] Then there's the problem of complexity. The specifications for one military aircraft ranged over 24,000 documents, one of which, for electronic parts, referred to 235 other documents, which in turn referred to 1,374 more, of which half were more than ten years old. To follow the rules precisely meant installing obsolete components into frontline equipment.[42]

There have been strong pressures to move the government to buy more off-the-shelf supplies and equipment, from computers to cars. New technologies, including new printing technologies, could lead those who buy goods for governments to reduce supplies in their warehouses and replace them with three-dimensional printers, to produce spare parts on demand. That is leading to fresh debates: can printer-produced spare parts for airplanes be trusted in supersonic jets?

Underperformance

The American Federation of State, County, and Municipal Employees (AFSCME), worried that the growth of contracting would eliminate the jobs of government employees who were union members, compiled an extensive catalog of contract abuses. AFSCME found, for example, that 30 percent of school lunch "meal packs" served by contractors were deficient in basic nutrients:

> It would appear that a child eating these meal packs—especially with the usual amount of plate waste—would not be receiving iron and Vitamin A in adequate amounts.

> Here, it is essentially critical to remember that iron deficiency anemia is the most common of our [nutritional] deficiency diseases.

Of thirty-four meals served by one contractor, fourteen were hamburgers, "variously adorned," and eight were hot dogs. Children were served vegetables only six times in a two-month period.[43]

The Government Accountability Office (GAO) surveyed contracts issued by the General Services Administration (GSA) over three years and found that the government had awarded more than $1 billion in contracts to vendors who repeatedly had failed to meet contract specifications and delivery schedules. Despite the problems, "GSA has continued to do business with repeat poor performing vendors." GAO found two reasons for this laxity. First, GSA's managers often had little good information on vendors' past performance. Managers could not avoid poor vendors if they did not know who they were. Second, GSA had not always emphasized product quality in making decisions. "Poor performance on GSA supply contracts has been a long-standing problem," GAO concluded.[44] Just because a good or service comes from a private contractor doesn't necessarily mean it's of high quality.

Inadequate Supervision

Without adequate supervision, contracts—and their contractors—can draw the government into deep trouble. In 2010, a Senate committee discovered that contractors hired to provide security for American forces in Afghanistan were, in some cases, secretly members of the Taliban, the very group that the soldiers were deployed in Afghanistan to root out.[45] If government is to rely heavily on contractors, it needs to make sure they're doing the job well—and doing the job they were hired to accomplish.

Overregulation

Contractors face a bewildering array of regulations with which they must comply. It is not unusual for the attachments to a small contract simply listing all these rules to be longer than the stipulations of the contract itself. So in addition to having to deliver goods and services that often are tailor-made to the government's specifications, contractors also must comply with a host of procedural standards, from financial recordkeeping to hiring principles, that can often prove expensive and time-consuming. Contractors often complain that government regulations make it hard for them to do their job.

Corruption

Public contracts have always been a tempting way for the unscrupulous to make a quick profit at the government's expense—and for government officials to make money on the side for steering business to those with whom they're connected. As the AFSCME study put it, "Government contracting and corruption are old friends."[46] Corruption in state and local contracts has a rich history, as contractors have long paid government officials kickbacks and bribes to win contracts, and contractors have colluded among themselves to fix bids and thus share the

government's contract bounty. In New York State, for example, ten road construction companies were indicted for bid rigging: arranging among themselves who would bid how much on which contracts, thus boosting their profits on more than $100 million in contracts over eight years.[47] "You make more money rigging bids than robbing banks—more than you could dealing drugs," one federal attorney explained.[48] At the federal level, corruption laid the foundation for the movie *American Hustle*, which was nominated for ten Oscars in 2014.

The recurring lessons of corruption in contracting are, first, that contracting is not an automatic, easy solution to the problems of implementing programs directly through government agencies. Instead, it replaces one set of administrative problems with another. Second, to be managed well, contracting requires a sophisticated collection of different administrative tools, which need to be tailored to the special implementation problems of contracting.[49] It requires incorruptible and highly competent government officials to manage the contracts.

Inherently Governmental Functions

Governmental policy has long required that government itself make government policy—that is, it should be responsible for "inherently governmental functions."[50] Federal regulations, for example, prohibit the government from contracting out the prosecution of criminal cases, the command of the armed forces, the conduct of foreign relations, and the decisions about agency policy and budgets.

The dividing line separating these core functions and activities that can be contracted out, however, is anything but clear. In 2013, intelligence analyst Edward Snowden stunned Americans—and most of the rest of the world—by revealing that the secret National Security Agency (NSA) was monitoring vast amounts of telephone and email communication in the search for clues about possible terrorist plots. Insiders were not surprised. The activities were reviewed by select members of Congress and approved by a special, secret federal Foreign Intelligence Surveillance Court. Investigations revealed that Snowden himself was not working for the NSA but for a private contractor, Booz Allen Hamilton. Snowden had a top-level security clearance to do the work, and a private contractor did the background check that produced the clearance. That is, a private contractor reviewed the qualifications of another private contractor to have access to private communications of American citizens. In fact, of the nearly 5 million Americans who held "top secret" security clearances, more than 20 percent worked for private contractors.[51] Everything about this story seemed completely legal, except for Snowden's decision to disclose highly classified information. But the understory raised profound questions about the role of private contractors in some of the most sensitive issues in American public administration.

PERFORMANCE MANAGEMENT

As we saw at the beginning of this chapter, making good decisions means nothing unless they produce good results. Deciding isn't doing. And doing doesn't necessarily mean good things happen. The problem, as Herbert Kaufman explained, is this: "When managers die and go to

heaven, they may find themselves in charge of organizations in which subordinates invariably, cheerfully, and fully do as they are bid. Not here on earth."[52]

When the public policy movement in the 1970s focused on sophisticated policy analysis to shape better policy decisions, it also promoted policy evaluation, to assess the long-term implications of those decisions. Along the way, a separate movement developed, to create more and better measures of the short-term success of public administration. **Policy evaluation** focuses on whether, over the long haul, programs meet their goals. **Performance management**, by contrast, seeks to determine that short-term success. The goal of policy evaluation is to improve policy decisions over the long haul. The goal of performance management is to produce real-time information about the results of public programs, so that managers can detect and correct problems in real time.

The movement works on all levels of government. At the federal level, for example, the website Performance.gov focuses on the President's Management Agenda (PMA), the plan laid out by each president to improve the results of government programs. In the Biden administration, for example, the PMA seeks to advance four basic values—equity, dignity, accountability, and results—through basic priorities—strengthening and empowering the federal workforce; delivering excellent, equitable, and secure federal services and customer experience; and managing the business of government to build back better. The website tracks the administration's progress against these goals and highlights progress across the government. Many agencies, moreover, have developed their own dashboards to track progress on their own goals. The CDC, for example, has its VaxView website (https://www.cdc.gov/vaccines/vaxview/index.html) to show progress on vaccinations across different age groups. The Forest Service has a dashboard to show its progress in implementing the Great American Outdoors Act, which targets investment in infrastructure, access to public lands, and conservation (https://experience.arcgis.com/experience/14f1b88a54fe490c858c60238be67031).

State and local governments have sometimes led the charge on these initiatives. The CompStat police performance model began in New York City in 1995. From there, it went citywide in Baltimore, with CitiStat, and statewide in Maryland, with StateStat. All fifty states now have transportation performance dashboards, for example. And it is difficult to find any local government that has not developed a performance measurement system.

Why do managers use performance information? Donald P. Moynihan and Sanjay K. Pandey found that there is a large collection of reasons: motivating employees, helping leaders, making information more available, strengthening organization culture, and enhancing administrative flexibility.[53] There is no single, most important use for performance information. Not everyone uses it in the same way, and not everyone uses it. After all, policymakers demonstrate constantly that they are perfectly capable of making decisions without relying on any analysis whatsoever. But as budgetary pressures mount, performance information can help managers provide more services for the same money, the same amount of services for less money, or more satisfying services for everyone. Managers everywhere, in the United States and around the world, use performance management. It has truly become the major public administration revolution of the twenty-first century, as Christopher Pollitt and Geert Bouckaert show in their sweeping study of public management reform around the world.[54]

CONCLUSION

The story of implementation all too often is not a happy one, especially in the popular press. But the problems go far deeper. One study by the World Bank indicated that nearly a quarter of all World Bank projects around the world failed. In construction and high-tech projects, the failure rate sometimes rises to 60 percent. Things go wrong, the authors found, because a program might have been poorly designed, had weak top-level support, encountered bottlenecks, and didn't have feedback hard-wired in to help managers learn.[55]

However, the World Bank team—Jody Zall Kusek, Marelize Gorgens Prestidge, and Billy C. Hamilton—argue that five simple rules can greatly improve the odds of success:[56]

1. *Make it about the how.* Figuring out what managers are trying to accomplish, how much the program will cost, and who is in charge of doing what are essential first steps.
2. *Keep your champions close but your critics closer.* The World Bank team learned their lesson from *The Godfather Part II*, when Michael Corleone shared a version of this wisdom with the members of his Mafia family. Some have attributed the quote to the Chinese general Sun Tzu or the Italian philosopher Niccolò Machiavelli, but the point is clear: managing stakeholders, both friends and opponents, is critical to maintaining political support for moving forward.
3. *Informed networks matter; work with them.* No one organization can control everything it touches. Both the formal and informal networks connected with a program can play a powerful role in shaping success.
4. *Unclog the pipes.* Success often comes from anticipating problems before they happen and acting quickly to sweep bottlenecks away.
5. *Build the ship as it sails.* No one gets everything right the first time, and it's impossible to anticipate and solve all problems in advance. Effective programs build in a system to learn from problems, even failures. They build from a small scale, learn where the problems lie, and move to scale once managers know how best to solve or avoid the problems that lurk around the corner.

Too often, there's a sense of dread that surrounds government management because of the expectation that programs will fail. The World Bank team has seen plenty of failure. But they underline a very important point: failure isn't inevitable, and charting the right steps can vastly shrink the odds of problems and greatly enhance the chances for success.

The media tend to focus on failure stories because they attract more readers and viewers. But behind the headlines are important and enduring examples of success. Much of government works very well much of the time. Many of the biggest problems can be solved, as GAO found in its analysis of the federal government's "high-risk" programs. Still, enduring problems remain. That's often because government often tries to do very hard things, because it does them through very complex systems, and because the implementation of its programs becomes wrapped in very contentious politics.

Behind these big debates are important and enduring themes. First, many problems we label "implementation" actually reflect far larger administrative issues. What we call failure may be the product of goals that policymakers do not agree on and results that they do not like. Many alleged failures turn out not to be breakdowns in the actual process of implementation but the consequence of poor policy choices, impossibly high hopes announced at a program's conception, or misjudgments in legislative prescription of implementation strategies. Sometimes, in fact, the more efficient the implementation of a bad policy, a poor program, or a legislatively **mandated** faulty strategy, the more conspicuous the failure will be. So-called implementation failures thus often reflect deep and enduring problems in other parts of the policy process.

Second, our principal focus has been on implementation by American governments. But wallowing in government failure stories can make it easy to forget that the private sector's record is scarcely clean. Anyone who has ever worked for a private organization can vouch for substantial waste of materials, inefficient ways of processing paperwork, and problems of bureaucracy that match those of the public sector. Millions of automobiles have been recalled for defects; drugs have been introduced and later found to cause fatal injuries and serious birth defects; computers fail and their software crashes; and other problems in workmanship, services, and materials abound. The point here is not to compound our misery but to emphasize that poor performance is not a purely public-sector problem. In fact, most of the outrageous fraud, waste, and abuse stories about government itself involve intricate programs whose implementation is deeply interwoven with government's nongovernmental partners.

Finally, many implementation problems arise out of the increasing complexity of American society instead of government's fundamental failure. The more the boundaries blur—between the public and private sectors; among federal, state, and local governments—the more dependent programs grow on the interrelationship of all of these organizations and the more difficult it becomes to achieve true success.

These mitigating considerations do not mean that implementation by American governments is what it should be. On the contrary, the evidence shows not only that implementation is often unsatisfactory but also that its improvement has been neglected—by Congress, by the president, by operating agencies, and by the research community. Improving performance requires correcting that neglect.[57]

CASE 13.1: WEED RUSH

One enterprising California Girl Scout came up with an ingenious plan to sell cookies. She set up shop outside a San Diego marijuana dispensary and peddled three hundred boxes of cookies in just six hours.[58]

She had some help from the dispensary. The store posted a photo on its Instagram account that showed the Girl Scout proudly wearing her Samoa glasses—and then couldn't resist tagging it #tagalong. The cleverness of the whole scheme rattled some parents, but a spokeswoman for Girl Scouts USA said that it was up to local councils to decide how the cookie campaign would be run. The Girl Scouts' national office handed off the job of

explaining the optics of selling cookies outside a pot shop—just as California was seizing the national agenda on recreational marijuana policy.

It's hard to overestimate just how much national dust California kicked up when it launched statewide recreational marijuana sales back on January 1. In Berkeley, Mayor Jesse Arreguin came to a ribbon-cutting at a city dispensary.[59] Analysts projected that the state was on its way to a $5 billion (or more) legalized pot industry.

Legalized by California standards, that is, and by the standards of a few other states. Eight states plus the District of Columbia have now legalized marijuana for recreational use. Twenty-two others have legalized it for medical purposes. The federal government, however, still outlaws the purchase, possession, or use of marijuana for any purpose. It's classified as a Schedule I drug, along with heroin, ecstasy, and LSD, "with no currently accepted medical use and a high potential for abuse," as federal policy puts it.[60]

Trump's Attorney General Jeff Sessions rescinded the "Cole Memorandum," an Obama-era policy laid out by then–Deputy Attorney General James M. Cole. In the memo, Cole directed U.S. attorneys not to use their resources to prosecute individuals who might be in violation of federal marijuana law but who were complying with the laws of their states. Sessions insists that U.S. attorneys enforce federal laws as written.[61]

In practice, however, federal prosecutors still have to decide how much energy to spend chasing down pot smokers in the states where voters have decided marijuana use is legal. In one of those states, Colorado, U.S. Attorney Bob Troyer has said his office would focus on "identifying and prosecuting those who create the greatest safety threats to our communities around the state," a subtle jab at the attorney general's announcement.[62] Most U.S. attorneys say they have bigger crimes to investigate than the use of marijuana—and better trial strategies than attempting to convince jurors to convict marijuana users on federal charges who were complying with state law.

That has led to a feud between Sessions and Colorado's junior U.S. senator, Republican Cory Gardner. Gardner says that Sessions, in his confirmation hearings, pledged that the Justice Department would not focus on marijuana enforcement. When Sessions reversed the Cole Memorandum, Gardner put a hold on White House nominees for Justice Department posts, and vowed not to allow confirmation votes on any of them in the Senate until Sessions promised not to pursue his marijuana policy change. Gardner has a reputation as a law-and-order Republican, but he had no interest in bucking the state's electorate, which voted 55–45 in 2012 to legalize the recreational use of marijuana.

Sessions's efforts to roll back state marijuana decisions even roiled the stock market. The price of Scott's Miracle-Gro tumbled 7 percent on the news he was going after the Cole Memorandum. Investors worried that the big increase in the marijuana market would lead to increased demand for fertilizer, greenhouse lights, and other equipment in which Miracle-Gro had established a stake.[63] Stock analysts continued to be bullish on its stock with a strong "buy" recommendation.

Since legal sales of pot began in Colorado, the state has seen a growth in the number of businesses providing dispensaries with armored cars, security cameras, and big safes. Because pot remains illegal under federal law, and because most banks and savings and loans operate under federal regulations, it is hard for pot dispensaries to open checking accounts or take credit cards. For federal regulators, marijuana money is drug money, and legalized pot dealers worry the feds might seize on traceable payments to shut them down. So they stick with cash. But no one wants to attract robbers with piles of hundred-dollar bills in the back room, or to risk getting hijacked while driving cash around in the trunk of a car. Hence the safes and other precautions.

California faces the same problem on a much bigger scale: it is trying to figure out what to do with $5 billion in marijuana cash sloshing around in the state economy. California's state treasurer and attorney general are studying whether the state could charter its own bank to process marijuana transactions, avoiding the credit card and check problem.

What happens in California is worth watching closely. For decades, from the introduction of catalytic converters in automobiles to its cap-and-trade program for reducing air pollution, the nation's most populous state has brought about changes in national policy with its own initiatives. Now, if there is to be a reworking of federal drug policy, there's a good chance that it will start in Sacramento. In that case, Girl Scout cookie sales might never be the same, if young entrepreneurs discover that business is better in front of dispensaries than at supermarket doors.

Questions to Consider

1. It's one thing to take a principled stand on legalizing marijuana. It's another to think through how to implement it. Do you think that the states considered the administrative implications carefully enough?
2. Identify the biggest implementation challenges for legalizing the recreational use of marijuana—and imagine you are a management analyst. What steps would you recommend to solve these problems?
3. How does America's system of federalism complicate the implementation issues?
4. Consider how the states' implementation of this policy has the effect of nudging federal policy—and vice versa. How does this balancing act work?

Note: This case originally appeared in *Governing* magazine (April 2019).

CASE 13.2: CRASHING TO EARTH: OBAMA'S SIGNATURE HEALTH INSURANCE PROGRAM STUMBLES

In late September 2013, Senator Ted Cruz (R-Tex.) was determined to bring back the great tradition of the filibuster, when members of the Senate would talk on the floor for endless hours to delay consideration of an issue they opposed. For Cruz, the issue was President Barack Obama's signature health insurance program, the Affordable Care Act (also commonly referred to as "Obamacare"). The program required all Americans to sign up for health insurance if they didn't already have it, and Cruz was determined to shut down the federal government, if necessary, to stop the launch of the program on October 1, 2013. And talk he did, for twenty-one hours straight, complete with a reading of Dr. Seuss's *Green Eggs and Ham* and an impression of Darth Vader from *Star Wars.* He failed to stop funding for Obamacare, but his speech helped galvanize Republican opposition to the program. True to their threats, Republicans refused to continue funding the government if the funding included money for the president's program. And that led to a limited shutdown of the federal government on October 1.

But in one of the biggest ironies in American history, the program actually started up just as much of the rest of the government shut down. Obamacare launched with funding independent of the annual congressional appropriations, so it was unaffected by the shutdown, and the Democrats gleefully watched Republicans take the heat for closing many government operations—except for the very one at which they aimed. Political pressures rose, with the public blaming Republicans most for the shutdown. As the country neared the ceiling on the national debt on October 17, congressional Republicans caved in. They agreed to reopen the government without defunding Obamacare, and the Democrats celebrated.

For the most part, Obamacare wasn't government-funded health care. It wasn't even government-funded health insurance. It was a government-created marketplace, called an "exchange," where citizens could shop among private health insurance plans and decide what to buy. Citizens who already had health insurance didn't need to do anything. Citizens without health insurance were required to buy it, with escalating penalties over time if they did not. The poor were aided by federal subsidies to help them afford the insurance. Democrats looked forward to signing up millions of uninsured Americans and locking in support from happy consumers so Republicans could never uproot the program.

For citizens, the exchange was really a website, HealthCare.gov, where they could shop and sign up for coverage. In the first days of October, there were early signs the website wasn't working well. Some consumers complained that they couldn't access the site, that it crashed, or that it lost their personal information after they began entering it. Administration officials pointed to the technical glitches as a sign of the program's success. It was so popular, they said, that huge demand crashed the site. "Americans are excited to look at their options for health coverage, with record demand in the first days of the marketplaces," said an administration release announcing that there would soon be fixes to the information technology problems.[1]

But the reports of problems escalated—that the website was crashing or was simply unavailable, and that it would fail to capture the information that citizens entered. As soon as the government shutdown ended, reporters began turning to the website story, and they found complaints wherever they looked. At its launch, the site featured a smiling woman who seemed thrilled to be signing up for health insurance. As the problems mounted, the government took down her picture and replaced it with four icons suggesting ways to sign up: computer, phone, an in-person visit with a counselor (called a "navigator"), and an old-fashioned paper form.

The administration brought in Jeffrey Zients, former acting director of the Office of Management and Budget, to troubleshoot the site, and Zients promised quick action. "We're confident by the end of November, HealthCare.gov will be smooth for a vast majority of users," he said.[2] The website gradually became more reliable and reports began surfacing of citizens who had successfully signed up for coverage, but progress was slow.

As the website improved, however, many citizens who held existing insurance policies began to receive notices that their policies were being canceled. Estimates of the number of citizens who would lose existing policies ran into the millions. That produced outrage, since one of the bedrock promises of Obamacare had been "if you like your plan, you can keep it." In fact, he said it at least thirty-four times, in some version, during the debate on the bill's passage and in the months that followed.[3] Obama was forced to apologize, saying, "I am sorry that they, you know, are finding themselves in this situation, based on assurances they got from me." He reassured Americans that "I've assigned my team to see what we can do to close some of the holes and gaps in the law."[4] And he pointed out that the insurance most Americans would get under his plan would be better than the insurance it replaced.

Republicans seized on the problem as evidence that they were right from the beginning: that Obamacare was a bad idea that should be repealed or defunded. One critic labeled it a sample of the "half-baked liberalism that has been popular among many Democrats for several decades."[5]

As investigating reporters started digging, the problems tumbled out. In the law, the states had primary responsibility for the exchanges and the websites, and the federal site was a fallback for states that could not—or would not—participate. Many Republican governors decided they wanted nothing to do with Obamacare, and some other governors decided it would be easier to let the feds figure out how to launch the program. So instead of HealthCare.gov covering just a handful of states, it was ultimately responsible at the program's launch for citizens in thirty-six states. That, in turn, made the job far larger than the administration originally anticipated.

Building the information system also proved very complicated—more complex, one state health official said, than the Manhattan Project, the program that was responsible for the first atomic bomb in the 1940s.[6] The information technology managers had to pull together information from insurance companies, provide citizens a chance to submit their own personal information, create computer matches for the options available for citizens with certain characteristics in each state, calculate the subsidy that lower-income citizens would receive under the program, and allow citizens to shop for coverage and then sign up. That was a very large number of simultaneously moving parts, and many of the pieces came together just in the last weeks before the October 1 launch.

That left very little time for careful testing—and no time at all to stress-test the system as a whole under the demand of millions of citizens expected to visit the HealthCare.gov site. By mid-November, the first numbers emerged on how many citizens managed to navigate the system—fewer than 27,000 people, of the perhaps 40 million uninsured, signed up under the federal government's portion of the program.[7] The signup period stretched until March 31, 2014, and administration officials had always expected that most individuals would sign up close to the finish line. The administration had been hoping for a first-month signup of ten times that size. The low numbers embarrassed the administration and reinforced the sense of chaos surrounding the program.

The website issues revealed deeper implementation problems. The federal government itself didn't build the website. Rather, the feds built a large private network of at least forty-seven different contractors to construct different parts of the system, according to a survey conducted by the Sunlight Foundation. The collection included some consulting giants, like Booz Allen Hamilton and Deloitte; a relatively unknown company called CGI Federal, which relied on contracts for almost all its business; and even a private university, George Washington University.[8] The feds had no effective "systems integrator" to supervise the effort and to pull the pieces together, so it was little wonder that, while individual pieces seemed to work well enough, the system failed when launched as a whole. And, to insulate what was essentially a startup venture from political scrutiny, the Obama administration pushed much of the work out from the Department of Health and Human Services into one of its small and relatively little-known agencies, the Centers for Medicare and Medicaid Services (CMS). CMS manages the two giant programs that compose its name, but its officials had no experience in managing a startup or in leveraging private insurance companies.

Obama's popularity slid throughout the debacle to the lowest point to date in his administration, with more citizens disapproving than approving of his job performance. He suffered especially among independents, who had been so important to his reelection in 2012.[9] Democrats and Republicans fiercely debated whether the problems were the natural

growing pains of a large and complex new program or a sign of a fatal overreach. Former president Bill Clinton said "we're better off with this law than without it," but House Speaker John Boehner (R-Ohio) countered "that Americans were misled when they were promised that they could keep their coverage under President Obama's health care law. The entire health care law is a train wreck that needs to go."[10] This certainly wasn't the start Obama had been hoping for in the program he intended to be his most important legacy.

Questions to Consider

1. Do you think that the Obamacare problems in October 2013 were simply the result of launching a very complicated program? Or were they the result of a serious overreach by the Obama administration? Think about the administrative implications—not whether you believe that Obamacare is a good policy.
2. In retrospect, what steps do you think that the Obama administration should have taken, from the beginning, to avoid the problems it encountered?
3. How many of the problems came from the basic design of the program—that is, from policymaking—and how many came from the way it worked—that is, from program implementation? What lessons do you see in this case for the links needed between policymaking and implementation?
4. Step back and consider how the government communicates expectations to citizens. Policymakers want to claim credit for big ideas. But the bigger the idea, the harder it is to pull off. The government could promise less and exceed expectations—or make big promises and risk falling short. The government could also tell citizens that big change is hard and will take time to produce big results. How should policymakers deal with the challenge of communicating about big ideas and hard problems?

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10. Juliet Eilperin, "Bill Clinton Identifies 3 Big Problems with the Obamacare Rollout," *Washington Post* (November 12, 2013), http://www.washingtonpost.com/blogs/post-politics/wp/2013/11/12/bill-clinton-identifies-3-big-problems-with-the-obamacare-rollout/?hpid=z3.

CASE 13.3: CONTRACTORS IN WARFARE

One of the most stunning foreign policy challenges for the United States in the modern era was the collapse of the Afghan government in August 2021. Since the terrorist attack on September 11, 2001, the American military had fought to root out insurgents in Afghanistan, which had been the case from which the attacks had been planned and launched. The strategy had been to root out the al Qaeda fighters, and the Taliban who had supported them. That, strategists hoped, would punish those who staged the September 11 attacks and protect the country from another assault.

The campaign had stretched from the weeks after the terrorist attacks until 2021—twenty years in all, of often-fierce fighting that cost more than 2,450 American lives. The fact that the fighting had stretched on for so long, and then that the country's government collapsed so quickly, was a searing mark on the many tragedies along the way.

Why did the government, for which Americans had worked so hard for so long, crumble so fast? The answer, a senior military commander later said anonymously, was that the Afghan military collapsed because the thousands of military contractors—not members of the armed forces, but employees of private companies, often military veterans—left as it became clear that the United States was going to withdraw. "[I]t was their departure that led to the erosion of the capability of the Afghan Air Force elements, which were critical," said the former official. Without that support, the Afghan government couldn't stay afloat. "But how could they have been left behind when our forces that provided ultimate security for them were withdrawn?"[64]

The contractors provided a remarkable range of help. They worked in intelligence and training and maintenance. And there was also a behind-the-lines collection of contractors that delivered fuel and meals to American bases.

"Contractors were essential for keeping most of the air platforms flying," explained a senior Department of Defense official. "The [Afghan army] could still conduct operations without contractors—they could fight, maneuver, shoot, all the basics. But, without the safety net of ISR [intelligence, surveillance, and reconnaissance] and air support, many Afghan soldiers didn't want to go head to head with the Taliban," he said. It was inconceivable that the Afghan army could continue to fight without the contractors. And without the American military umbrella, it was inconceivable that the contractors would stay.

The role of contractors in military operations has long been substantial. There were contractors during the Revolutionary War and the War of 1812. The role of contractors

TABLE 13.1 ■ Presence of Contractor Personnel during U.S. Military Operations

Conflict	Estimated Personnel (Thousands)		Estimated Ratio of Contractor to Military Personnel[a]
	Contractor[a]	Military	
Revolutionary War	2	9	1 to 6
War of 1812	n.a.	38	n.a.
Mexican-American War	6	33	1 to 6
Civil War	200	1,000	1 to 5
Spanish-American War	n.a.	35	n.a.
World War I	85	2,000	1 to 24
World War II	734	5,400	1 to 7
Korea	156	393	1 to 2.5
Vietnam	70	359	1 to 5
Gulf War	9[b]	500	1 to 55[b]
Balkans	20	20	1 to 1
Iraq theater as of early 2008[c]	190	200	1 to 1

Source: Congressional Budget Office based on data from William W. Epley, "Civilian Support of Field Armies," *Army Logistician* 22 (November/December 1990): 30–35; Steven J. Zamparelli, "Contractors on the Battlefield: What Have We Signed Up For?" *Air Force Journal of Logistics* 23, no. 3 (Fall 1999): 10–19; Department of Defense, *Report on DoD Program for Planning, Managing, and Accounting for Contractor Services and Contractor Personnel During Contingency Operations* (October 2007), 12.

Note: n.a. = not available.

a. For some conflicts, the estimated number of contractor personnel includes civilians employed by the U.S. government. However, because most civilians present during military operations are contractor personnel, the inclusion of government civilians should not significantly affect the calculated ratio of contractor personnel to military personnel.

b. The government of Saudi Arabia provided significant amounts of products and services during Operations Desert Shield and Desert Storm. Personnel associated with those provisions are not included in the data or the ratio.

c. For this study, the Congressional Budget Office considers the following countries to be part of the Iraq theater: Iraq, Bahrain, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Turkey, and the United Arab Emirates.

Source: Congressional Budget Office, *Contractors' Support of U.S. Operations in Iraq* (Washington, D.C.: Congressional Budget Office, August 2008), 13, https://www.cbo.gov/sites/default/files/110th-congress-2007–2008/reports/08–12-iraqcontractors.pdf.

dramatically increased in World War II and then grew even more in the war in the Balkans and in the war in Iraq. It would have been impossible to fight these more recent campaigns without contractors. It was not surprising, therefore, that the war in Afghanistan relied on them so heavily. When the contractors pulled out, the Afghan government crumbled.

Questions to Consider

1. Are you surprised by the substantial role of contractors in military operations?
2. Do you think this is a wise American policy? Can you think of other alternatives the country might embrace?
3. If the military relied less on contractors, it might not be able to fill its needs with the all-volunteer army. That might mean returning to the draft for major campaigns. Do you see contractors as a reasonable trade-off?
4. What issues would you want to consider in managing such a substantial contractor workforce in military operations?

KEY CONCEPTS

contracts
implementation
legitimacy
mandate
performance management
policy evaluation

FOR FURTHER READING

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SUGGESTED WEBSITES

Information about Baltimore's CitiStat program can be found at **www.baltimorecity.gov/Government/AgenciesDepartments/CitiStat.aspx**.The internet is full of the new initiatives in the area of program implementation. For New York City's performance management system, see **www.nyc.gov/html/ops/cpr/html/home/home.shtml**.

(**www.nyc.gov/html/fdny/html/mck_report/index.shtml**); and the report of the Arlington County September 11, 2001, response at the Pentagon (**www.co.arlington.va.us/Departments/Fire/edu/about/FireEduAboutAfterReport.aspx**) For case studies on implementation problems, see the report of the study committee that investigated the *Columbia* space shuttle accident (**www.nasa.gov/columbia/home/index.html**); the special report on emergency response in New York on the morning of September 11, 2001

PART V

ADMINISTRATION IN A DEMOCRACY

Running a bureaucracy in a democracy creates two sets of issues. As we saw in Chapter 1, we want to see programs managed efficiently and effectively—and we also want the bureaucracy to be responsive and accountable. And as we have seen throughout this book, the quest for accountability and effectiveness is, at its core, a political journey. This section examines the dynamics of bureaucracy's relationship with the larger political and economic system, especially the exercise of administrative power through regulation. We also examine the methods that legislatures can use in controlling the way administrators exercise the power delegated to them.

The core of administrative ethics in the public sector lies in balancing the competing goals of efficiency and accountability. We want administrators to be efficient and accountable, but crosscutting political forces make it hard to achieve either goal, let alone accomplish both. We conclude the book by circling back to the big questions with which we began: with a careful look at how the competing forces of accountability, effectiveness, and politics affect administration in a democracy.

In January 2023, the former CEO of FTX, Sam Bankman-Fried, leaves the federal courthouse after pleading not guilty to the charges related to the collapse of his cryptocurrency firm.

Source: LightRocket via Getty Images

14 REGULATION AND THE COURTS

LEARNING OBJECTIVES

- Understand the fundamental process of government regulation
- Chart the job that regulation plays in public administration
- Explore the role of the courts in the regulatory process
- Examine the steps in regulatory procedure
- Probe the ways in which regulators are held accountable

The development of the COVID-19 vaccine was a truly stunning product of the partnership between the federal government, which supplied funding, and private pharmaceutical firms, which worked ferociously to translate basic research into a new vaccine to fight the virus. That partnership beat every existing record for production of a new vaccine. But before the vaccine could be injected into people's arms, the U.S. Food and Drug Administration (FDA) had the responsibility, under the law, to ensure that the vaccine was both safe and effective: safe, to make sure it doesn't cause harm; and effective, to make sure that it works as promised.[1]

The people count on the government's regulation to protect them from unsafe medications. In 1957, for example, drug manufacturers created the drug thalidomide to treat cancers. It proved effective in fighting multiple myeloma, a blood-based cancer. But after extensive use, researchers also discovered that it caused serious birth defects and even death in infants. The horrific side effects led to the passage of legislation to require drug companies to demonstrate the efficacy of drugs they wanted to license for use in the country and to disclose any side effects that their testing revealed. Meanwhile, manufacturers distributed Echinacea, a natural remedy derived from the cornflower plant. Marketed as a treatment for the common cold, research revealed that it was probably safe. But extensive research showed that it did not seem to shorten the length of a cold or to treat other health conditions.[2]

We want drugs to be both safe *and* effective. Conducting the research to prove that is expensive, since it involves multiple trials with larger pools of individuals getting the treatment. Drug companies must bear the cost of these trials. So, having often borne the cost of research and development, along with manufacture of a new drug, and having often discovered that new drugs simply didn't work, they are typically eager to reduce their additional costs and to get the drug to market to begin making their money back.

The COVID-19 epidemic was hyperpoliticized from its first days in the United States. The testing of the shots in the fall, in the weeks leading up to and past the presidential election, put enormous pressure on the FDA, since the Trump administration wanted to roll the vaccines out before voters headed to the polls. But if it appeared that the agency had approved any vaccine before the research showed it was both safe and effective, the agency's credibility would have been gone. As it was, there already were challenges to trust in the vaccine, especially because vaccine manufacturers already had low levels of trust from the people. Just 52 percent of Democrats and 27 percent of Republicans trusted scientists to act in the best interest of the public.[3]

Everyone counted on the FDA to ensure that the COVID-19 vaccines were, in fact, both safe and effective. Trust in its own work was on the line. But given the cross pressures on that work, it would be hard to find a better example of the deep politics buried in the administrative process.

THE FUNDAMENTALS OF GOVERNMENT REGULATION

The foundation for this process is administrative law, the basic legal framework for the operation of bureaucracies within the governmental system. There are fundamental differences between the law for public and private organizations. In the private sector, people have freedom and can do anything they want that the law does not forbid. By contrast, in the public sector, administrators are required to do what's in the law and may not step outside it.

The difference flows from the very core of public policy and public administration. As we discussed earlier in the book, in the United States, the people have the power. They give power to policymakers to create policies for their good. Policymakers, in turn, delegate power to administrators to carry out those policies—to translate policy into action, through the laws that legislators pass and executives delegate. The scope of administrative power is constrained by the law. To be true to the public will, they must execute the law as passed, and they must not step beyond it.

That means administrators cannot arrive at the office, detect an important new problem, ranging from a new source of pollution to a large forest fire, and decide on their own what they think is the best way to handle it. What they do—and what they do not do—is constrained by law. In fact, as we will see later in the chapter, if someone believes that an administrator has not done what the law says should be done, or if an administrator does something that the law does not allow, that someone can file suit in court to change the administrative action. Everything in administrative law—and everything in bureaucratic power—rests on this proposition.

Regulations Everywhere

Laws thus prescribe what government administrators do. Regulation defines *how* they do it. Regulation translates complex tax laws into the forms that taxpayers love to hate, and it sets the rules that keep planes safely in the air. Regulations specify the size of reflectors on bicycle wheels and ensure the accessibility of public buildings. Rules govern the vitamin pills we take and the therapeutic claims that go on our toothpaste tubes. They control the safety of our prescription drugs and of our cars. They oversee the equipment on buses and set the standards for highway guardrails and interstate buses. And they define who can enter the country.

It is literally impossible to get out of bed in the morning without encountering a government regulation, since the government regulates the bedding on which we sleep and, famously, the tags on the pillows on which we rest our heads. (It *is* legal to cut away the tags on pillows—but only consumers can use the scissors, after they take the pillows home. The tags protect consumers by providing information about what materials are inside the pillow, which the consumer can't see.) Regulations ensure the safety of the electric current in our homes and the strength

of our floors, the safety of our elevators and the fire protection inside our stairwells. The government's regulation isn't always on the march. In 2022, for example, the federal government announced it was ending its long-standing regulation of French dressing, to ensure that the dressing sold under that label met strict standards. Fewer Americans were using French dressing, with ranch dressing on the upswing. The Association for Dressings and Sauces—there is an interest group for almost everything—successfully campaigned to have the regulation removed.[4] In Maine, the state launched a major campaign to identify and root out obscene license plates. "The unacceptable criteria should be considered when read left to right, right to left, by mirror image, or aloud through phonetic spelling," said the state's manual for detecting the plates that should be eliminated.[5]

If public administration revolves around the balance of power and accountability, regulation defines how public administrators balance individual freedom and government control.

The Regulatory Process

To understand how government regulation works, from governing the safety of COVID-19 vaccines to the tags on pillows, we must dig deeply into the foundations of government policy. The laws that legislatures pass rarely are detailed enough to guide action, for several reasons. Busy legislators cannot invest the time needed to anticipate and resolve many questions that might arise. Even if they tried to do so, it would be impossible to imagine every issue. Resolving complex questions often requires deep, specialized knowledge that legislators don't have.

And even if legislators could solve all of these issues, they often wouldn't want to do so. Specifying policy in great detail also means exposing legislators to attack from those who disagree with that detail. It's also easier to build support for passing a law if legislators keep its provisions vague. So, for a host of reasons, legislation rarely provides administrators with all of the detail they need for carrying out the laws legislators pass.

That leads to the delegation of authority from legislators to administrators. Most legislation identifies who is responsible for carrying out the law and gives that administrator responsibility for filling in the details. A typical formulation is, "The Secretary shall enforce, by appropriate regulation, the provisions of this legislation." Regulations are what bring legislation to life.

Steps in the Regulatory Process

At the federal level, these are the steps that most regulations follow. At the federal level, the process has its foundation in the Administrative Procedure Act of 1946 (APA), as amended by the Freedom of Information Act and the Government in the Sunshine Act.[6] At the state and local levels of government, the names of the steps are sometimes different, but the process is similar.

Regulation begins with the *grant of authority.* Administrators can only issue regulations on those issues where the legislature has given them explicit authority. There is no possibility of an agency head surveying the policy universe, identifying a problem in the scope of the agency's domain, and deciding to write a new regulation to cover it—unless the legislature has already given the administrator the power to do so. That is one of the most fundamental foundations of accountability in government.

To start the process, after determining that the legislature has authorized action, the administrator often issues an *advanced notice of proposed rulemaking.* For federal officials, this notice appears in the *Federal Register*, the federal government's daily online publication of administrative actions (https://www.federalregister.gov/). State and local governments have their own sources where they provide formal notices of their policy agendas. This notice cites the problem, the legislative authority for action, and the overall strategy that the agency intends to follow.

What follows next is the *proposed rule,* which lays out the text of the regulation that the agency plans to issue. The proposed rule builds on existing legislative authority and regulations, and details just what is new in the agency's proposal. The agency then typically invites public comments on the proposed rule. Agencies are obliged to take those comments into account. Anyone with an interest in the proposed rule—an ordinary citizen or a well-staffed interest group—can file a comment. In fact, I've often used the comment period as an assignment for students: pick a proposed regulation, and submit a comment to the regulators.

After agency officials review the public comments, they revise the proposed regulation if the comments raise issues that require a response. The agency then issues the *final rule,* which has the force of law, because it's based on the law itself.

Regulations are often exceptionally complex. On one day, for example, the Federal Aviation Administration issued an airworthiness directive for airlines flying turbofan engines with a certain rotating air high-pressure turbine front seal, requiring replacement of a component and another airworthiness directive for airlines flying some Airbus planes, to govern replacement of titanium crossbeams of the forward engine mount. The Food and Drug Administration issued new standards for labeling honey and maple syrup, while the Coast Guard announced it was changing the operating hours for the drawbridge at Seattle's Duwamish Waterway. Sometimes regulatory issues rise to the level of massive political battles like Donald Trump's immigrant ban but, for the most part, very few individuals pay close attention to the details of regulatory action. Much of government, however, is made up of just such details.

Transparency of the Regulatory Process

This analysis leads to a dilemma. These regulations are extremely important in shaping government's work, but few individuals know much about what shapes work. The few individuals most likely to follow that work are those most likely to have the greatest stakes in the outcome. (Ask yourself: did you get up this morning and go running to the Federal Register to see what new regulations are on the docket? You didn't and I didn't—but there are many lobbyists who were paid to crack open the website as soon as they started work.) They are the ones who track the issues in the news, keep close contact with agency officials about what issues are bubbling, follow the Federal Register for proposed rules, have the expertise to provide knowledgeable comments, and make sure to frame those comments in the way most likely to have the greatest impact on the final rule.

Now, consider whether you read (or, perhaps, have ever heard of) the *Federal Register*—or, if so, whether you regularly read it for issues likely to affect you. Very, very few Americans do. But behind every regulation, no matter how narrow, is a collection of interest groups for whom the

regulation and its implications are tremendously important. These interest groups pay experts, often in law firms and lobbying organizations, to track their interests carefully and to make sure they know when to weigh in and what to say. This process puts a very heavy premium on arranging the resources (including providing enough money to fund the experts), on recruiting the experts (sometimes former officials who know the agency and its team well), and on tracking the problem (so the timing on an intervention is just right).

There's often wide discussion about the role of lobbyists and their efforts to apply pressure to legislators to frame new laws that benefit narrow interests—and this surely happens. But to a degree not widely recognized or much appreciated, a substantial role for lobbyists is to determine how best to play the regulatory game, since that is where many of the most important steps in the administrative process take place. For a key group of individuals in the airline industry, for example, the question of replacing engine seals and titanium crossbeams is a matter of passenger safety—and operating costs. They have a powerful interest in making sure that, from their point of view, this balance comes out just right.

The regulatory process is transparent. All of the official documents are available in real time, online, at the same time, for everyone. But its many arcane elements also can make it very hard to understand and penetrate, and that gives an enormous advantage to those who know how to play the game well.

The Roots of Regulation

Regulation goes back millennia. Jews, after all, believe that the Ten Commandments were part of God's compact with the Israelites after their release from Pharaoh's bondage. And an entire book of the Bible—Ecclesiastes—is devoted to regulations. In the United States, regulation goes back to the beginning of the nation. The Constitution in 1789 gave Congress the power "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."[7] This textbook is protected against plagiarism by a certificate issued by the U.S. Copyright Office, which administers a statute based on that provision.

But this same constitutional grant of power has had far broader impact. In 1988, administering a statute under the same clause, the Patent and Trademark Office awarded the world's first animal-invention patent to Harvard University, whose scientists had transformed a mouse through genetic manipulation.[8]

Just *how far* government's regulatory power should go, of course, is a fundamental question of government. In this book, we focus on *how* the executive branch administers regulation. But the political controversy about *how far* inevitably spills over into the *how* question. Regulation might be grounded in law, but it's shaped by politics.[9]

The public certainly has mixed feelings about regulation. Many critics complain that government regulation of business usually does more harm than good, that there are too many government regulations, and that too many rules make too little sense.[10] Yet most people do not favor rolling back government regulations that protect their workplace, safeguard the environment in their neighborhood, ensure the safety of the airplanes on which they fly, or set standards for the security of their bank accounts. Individuals do not like the idea of a big government

interfering in their freedom, but they clearly expect government to protect them from danger, even if that means interfering in someone else's freedom. Indeed, the standard reaction to problems ranging from plane crashes to poisoned food is to interview government regulators. Why, reporters ask, did government not write a rule to prevent the problem from happening, even if the problem was the result of mistakes made by private companies?

Regulation is certainly a matter of balancing its costs with its benefits. However, it is also a matter of determining *who* pays the costs and *who* receives the benefits.

THE JOB OF REGULATION

Government regulation focuses on two kinds of problems: economic and social. The expansion of **economic regulation** began in the states. At the federal level, it dates from 1887, when the Interstate Commerce Commission was established to regulate the railroads.[11] It was the dominant form of regulation until the 1960s. Economic regulation has two characteristics. First, it has long sought to ensure competition by preventing monopolies and unfair methods of competition (including deception of consumers). These **antitrust laws** embrace all industries where such evils may appear and are administered by the Justice Department and the Federal Trade Commission.

Second, in the effort to ensure fair and quality markets, the federal government has sometimes, over time, regulated who can enter a business, the prices they can charge, the safety of the product, and the standards of service. Since the 1970s, government has tended to rely far more on the discipline of private markets than the decisions of government administrators, but economic regulation remains important for everything from airline safety to competition in the fast-moving telecommunications marketplace. After the crash of two Boeing 737-MAX aircraft, the federal government went through an exhaustive investigation of the plane's safety features. And when Sprint and T-Mobile proposed combining their operations, the merger couldn't take place without the review of federal regulators.

Social regulation began growing in importance early in the twentieth century, through restrictions on child labor and drugs, and then expanded enormously in the 1960s and 1970s. It focuses on the quality of life by seeking to safeguard the environment, protect workers' health and safety, ensure the safety and quality of consumer products, and prohibit discrimination on grounds of race, color, sex, age, or disability. Responsibility for achieving social regulation is mostly lodged not in independent commissions but in bureaus within departments or, as with the U.S. Environmental Protection Agency (EPA), in an independent agency with a single leader instead of a board. The jurisdictions of these bureaus and agencies are not confined to single industries but cover all industries where threats to health, safety, fair employment, and the environment may occur. Although social regulation seeks to improve the quality of life rather than counter economic imperfections of the market, it can also have substantial market effects—by reducing a business firm's freedom to act purely in its own self-interest and, more important, by often increasing costs.

Defense of the government's regulatory power rests on the economic concept of externalities, sometimes called spillover effects (discussed in Chapter 11). If a paper mill discharges

pollutants into a river, downstream communities must pay the costs of cleaning up the river or purifying their intake to ensure safe drinking water for their citizens, while downstream swimmers, fishermen, and boaters pay the price in pleasures forgone. Dumping pollutants into the water is often cheaper than cleaning it up. Economists would compare the upstream savings to the downstream costs and justify regulatory action to return the costs to the polluter if the value of the benefits accrued downstream were high enough. Thus, government could make an economic case for forcing the paper mill to internalize the externalities.[12]

State and Local Regulations

Regulation is also a major activity of state and local governments, such as New York City's efforts to ensure that concrete for the city's construction is safe and its campaign to force fast-food restaurants to list the nutritional information of the items they sell. A campaign to improve food safety in New York's restaurants led to a regulation requiring restaurants to post their inspection grades in the window, in large letters. A grade of less than an "A" invited potential customers to keep walking.

Local taxi commissions regularly debate whether they should mandate how clean a taxi should be, how the taxis are maintained, and whether taxi drivers must accept credit cards. Taxi companies often fight back on each of these rules by arguing that they would increase their costs—and the fares they must charge customers. New forms of public transport, like Uber and Lyft, have created new issues. Should local governments get involved in regulating them, from whether to fingerprint their drivers to determining where they can pick up customers? Then, when ride-sharing companies spilled over into new forms for transportation, like battery-powered scooters, new regulatory issues arose. Should such scooters be allowed to operate on sidewalks, or on narrow hiking trails? Should cities limit the speed of scooters, or the number of scooters that companies can deploy? The rapid spread of new technologies often creates enormous burdens on governments struggling to keep up with the implications of innovations.

The regulatory work of state and local governments is of two kinds. Some state regulation is independent of federal rules. State governments have created public utility commissions to control intrastate rates and services, banking departments to regulate state-chartered banks, and "lemon laws" to impose disclosure and warranty requirements on used-car dealers. State governments also have minimum-wage and antidiscrimination laws, bottle-deposit and recycling laws, and health and safety laws and regulations that cover a wide range of enterprises—from factory conditions to nursing homes to restaurants and bars to farmers' use of pesticides. Some states impose a five-cent deposit on recyclable beverage containers; in Michigan, it's ten cents.

The states, not the federal government, regulate insurance companies, even though many insurance companies operate nationally. State regulation of health insurance created a formidable challenge for the Obama administration's Affordable Care Act. Creating its national system of health insurance required the administration to dangle incentives for the states. Because of state dominance of health insurance regulation, the federal government could not directly intrude. Local governments also regulate broadly, sharing in the pursuit of health and safety

protections and the honesty of weights and measures (such as grocery scales and gas pumps). They administer land-use zoning, which seeks to control the location, structural features, and uses of buildings.

About eight hundred occupations are regulated in the United States. Some, such as attorneys, physicians, pharmacists, barbers, cosmetologists, and real estate agents, are regulated in every state.[13] Over half the states regulate funeral directors, chauffeurs, plumbers, and hearing-aid dealers, to cite only a few. Typically, licensing laws, which restrict entry to the professions and some other occupations, derive from lobbying by professional associations. These associations generally want to keep the number of competitors down and their own prices up. The rules are often administered by substantially autonomous licensing boards whose members are effectively nominated by the associations. Though rationalized as social regulation, necessary to protect the health and safety of consumers of such services, the licensing systems actually produce economic regulation, limiting competition by restricting entry. State licensing of tattoo parlors, part a question of economics and part of consumer safety, varies widely. Almost every state has at least some regulation for tattoos and body art (although Nevada has none). In forty-five states, minors cannot get tattoos. Every state is struggling to keep up with the rapid changes in this increasingly popular business.[14]

The second regulatory role of state and local governments is administration of national regulatory programs.[15] Congress has the power to preempt much state regulatory activity, displacing it with programs executed directly by federal officials. In some cases, like environmental protection and food safety, federal regulators contract with state agencies to administer national standards. In fact, that's just what happened in Flint: the city's water system was subject to national regulations, but the federal EPA had an agreement with the state's environmental agency, and the state agency was responsible for oversight of national standards. The state failed, and EPA failed to catch it.

Such blending is now a prominent part of the regulatory system, allowing some adaptation to local circumstances and letting individual state governments choose their roles in a regulatory system. It has the advantage of permitting a state to adopt more rigorous standards than those of the national laws and regulations, which would not be possible under full national preemption. It has the disadvantage shared by all farming out of the implementation of national policies—the weakness of federal sanctions against third-party noncompliance with national directives.[16]

In some cases, moreover, state governments set the standard that other states and even the federal government will eventually follow. California was the first state to require the installation of catalytic converters in cars, which reduce air pollution. No automaker could afford to ignore the huge California market or to build cars just for sale in California, so the catalytic converter soon became a national standard. Even though the George W. Bush administration had backed away from worldwide standards on global warming, California in 2002 passed a bill requiring that all cars sold in the state after 2009 meet tough standards for greenhouse gases, the carbon-based emissions that scientists believe promote global warming. California has tough standards for flammability of office chairs and sets its own standards in a host of areas. In many policies, the state has led the way toward tougher rules.

Local governments, of course, issue regulations of their own. Most communities create zoning laws to determine where buildings can be constructed and how their owners can use them. Housing construction is impossible without water and sewage permits, and decisions about where to put water and sewer lines are the closest thing many communities have to an overall economic development plan. Local zoning regulations are often the best way to help mitigate the risks that shoreline communities face from hurricanes. Some communities have even set their own minimum wages.

Expertise

An especially important form of expertise is **cost-benefit analysis**, which has come to play a large role in regulatory programs. The idea is simple: government ought not impose new regulations whose benefits exceed the costs of complying with them. The idea has wide support, and applying that analysis has increased the importance of having experts in the agency. But it's also taken on a strongly ideological flavor, with conservatives seeking to use it to rein in regulations and the power of regulatory agencies. Forcing regulations to meet the cost-benefit standard, they believe, will result in fewer and less intrusive regulations.

There's great value in the ideas that the benefits of a regulation should exceed its costs. Underlying this notion, however, is a tough problem. Most costs are relatively straightforward to express in dollar terms. Many benefits, however, are subjective and hard to quantify. How much should reducing risk to health and safety be worth? What is the value of a life saved? What is the value of a Grand Canyon view free of noisy, low-flying airplanes; of fishable and swimmable streams; or of nondiscriminatory employment?[17] Translating these values into dollar figures becomes what Supreme Court Justice Oliver Wendell Holmes called, in another connection, "delusive exactitude," but it has a powerful impact on public policy.

In one case, the Consumer Product Safety Commission (CPSC) faced a decision on whether to make mattresses less flammable. One proposal would require the industry to pay an extra $343 in manufacturing costs, but CPSC analysts expected the change to save 270 lives. The agency used a value of $5 million for a human life, which produced a benefit of $1.3 billion. That big margin for benefits over costs, agency officials concluded, made the new rule economically sensible.[18] Most people get uncomfortable with such calculations, but government has to use *some* standard for deciding which rules make sense and which do not. If policymakers do not explicitly set a value on human life, implicit judgments about what regulations are worthwhile will be made anyway. If the value is explicit, citizens and policymakers can debate it. But that does not make the debate any easier—and making the value explicit often draws fierce attack, as was the case with EPA's 2008 decision, because critics believed EPA was using the change to block new regulations.

Risk assessment has taken its place alongside cost-benefit analysis as an approach to regulation. (It is closely connected with the risk management issues we examined in Chapter 10. In this case, however, the government analysts assess risk in deciding how to regulate industry.) We are all constantly exposed to risks. Some risks are more serious than others, and some persons are more exposed to risks than others. Some risks are a necessary cost of progress, even of progress toward greater safety.[19] Which risks should government try to eliminate or diminish, and

which should it leave unregulated? As with cost-benefit analysis, measurements and trade-offs are supposed to provide answers. Adequate reporting systems should tell us which industries and occupations have the highest rates of worker injuries and deaths, or how many children are strangled by crib toys or hurt by lawn darts. With ingenuity, we can compare risks, suggesting, for example, that (1) traveling the same route by automobile as by a scheduled airline flight increases the likelihood of death by a factor of seventy and (2) death is equally probable from one chest X-ray, a thousand-mile scheduled air flight, and living for fifty years within five miles of a nuclear reactor. A nagging problem, though, is that the public's perception of relative degrees of risk often does not fit the risk assessments by agencies' expert staffs. The agendas of both EPA and CPSC have given priority to citizens' concerns rather than to their staffs' top risk-rated concerns.[20]

Many citizens have distorted perceptions of risk: one airline accident killing two hundred people will get far more attention, from journalists and government regulators alike, than three hundred traffic accidents across the country that kill twice as many people. More people have been killed by traditional power plants than by nuclear plants, but the potentially catastrophic nature of nuclear accidents attracts far more concern. In the aftermath of Hurricane Katrina, analysts found that many homeowners had not purchased flood insurance because they believed they did not need it or could not afford it. Following Superstorm Sandy's assault of the northeast in 2012, many homeowners found their homes destroyed, but some found they could not rebuild because standards for elevating the home to prevent another catastrophe proved more than they could afford. Risk is in part a matter of statistics, but it is also a matter of perception—and perception shapes the political strategy for dealing with regulatory problems. Government inevitably finds itself stepping in to regulate risk—and to pay the costs of risk behavior.

Regulatory agencies, regardless of their expertise, are caught between detailed statutory mandates, including often unrealistic deadlines for action, and the uncertainties stemming from inadequate scientific, technological, and economic knowledge. Agencies face heavy pressures to consider benefits, costs, and risks, yet political pressure can force them away from such technical standards. Congress tends to focus on a difficult mix of cutting back on regulations its members dislike, reining in the regulatory apparatus to cut government's reach, but insisting on new rules when headline-grabbing problems surface. In 2016, the National Highway Traffic Safety Administration (NHTSA) discovered that airbags manufactured by a private company, Takata, were causing death and serious injuries in cars. The problem lay in Takata's design. But some members of Congress pointed blame at NHTSA and demanded to know why the agency didn't act sooner.

THE COURTS' REGULATION OF THE REGULATORS

Those who oppose an executive branch's regulation can always turn to the legislature, where oversight can pressure an agency to change its rules. We will examine that strategy in Chapter 15. But there is also another option, with opponents challenging a regulation in court.

Donald Trump, for example, tried to force a massive change in the nation's immigration policy by blocking travel from a collection of Muslim countries. But he discovered a basic truth of regulations promulgated by the executive: regulations can, and often are, challenged in the courts. Court decisions, moreover, can dramatically transform not only the process but also the results of the regulatory process. Some EPA officials have candidly explained that they write *every* rule with the expectation that someone will challenge it in court. Judicial review of regulation tends to revolve around whether agencies have followed the proper procedures in issuing their rules, not whether the rules themselves are substantively valid.

Court challenges must follow a tightly defined path. First, someone must file an objection to the regulation. Second, that objection must be raised by someone who claims harm from the regulation. That is, the person must demonstrate **standing.**Third, the person must file a suit in court, and the court must agree to hear the suit. There is no automatic entitlement to having a complaint heard in court, and judges weigh complaints against regulations carefully before deciding to take up a case. If the court does decide to hear the case, it will hear both sides: the complaint from the person, who feels treated badly by the regulation, and the government, which sets out to defend the regulation.

An environmental group, for example, might file suit on behalf of individuals living in an area where a new regulation, it argues, will make the air dirtier by an agency's neglect in writing a tougher rule. On the other side, a company affected by the new rule might argue that its costs to comply with a new regulation would be unreasonably high. The court hears the case based on documents filed by litigants and the agency's own explanation, based on the written record it has compiled. (That's part of the reason why agencies collect comments on proposed rules: it cannot only review the arguments on both sides of a new regulation but also establish a record that the agency has been fair to all of the parties.) The court issues its finding, which carries the rule of law, even if it overturns the agency's regulation. If one party believes that the court made an error in its decision, it can appeal the decision to a higher court.

This, in fact, was the process that the state of Washington followed in blocking Trump's immigrant ban. The attorney general argued that some Washington citizens and businesses would be unfairly hurt by the ban. The case went to a federal court, which heard the attorney general's arguments as well as the defense from the Trump administration. The judge ruled in favor of the Washington attorney general, against the administration, and blocked the immigrant ban from being administered.

Access to the Courts

Over time, the courts have expanded the standing to sue, in several respects.

Class-Action Suits

One way that this right to sue has expanded is through the use of class-action lawsuits. In some cases involving a number of citizens, individuals might each suffer a loss. The loss might be so small individually that it's not worth hiring an attorney, but it could prove substantial cumulatively. A **class action** is a private lawsuit for money damages, usually brought against a private

person or corporation. The principal plaintiff is typically only one or a few of the persons damaged, who are sufficiently indignant and well off to afford the lawyer. The suit is filed on behalf of all the affected individuals.

Plaintiffs can bring suit to reinforce the regulatory work of a government agency, or sometimes to force action where agencies have not acted. Although these cases can be litigated through full-scale trials, they are often settled out of court. Corporations-as-defendants sometimes view such actions as "legalized blackmail," but class-action lawsuits can prove powerful tools to force changes in behavior, both to conform to the law and to avoid future suits. Since the 1970s, class-action suits have gained popularity, and the courts have been inclined to grant more litigants standing to bring such actions.

One of the most dramatic class-action suits was brought against seven corporations, on behalf of over fifteen thousand named persons following the Vietnam War. They claimed they had suffered severe illnesses, or that their children had suffered birth defects, as a result of exposure to an herbicide, Agent Orange, that had been used by the army. In 1985, the case ended with a settlement, which to that date, was the largest in history: $180 million plus interest.[21]

Years earlier, the Mississippi attorney general had begun a long legal campaign against the tobacco companies, seeking to recover damages to the state and its taxpayers that, he said, had been caused by smoking. This legal action snowballed into an action eventually involving all the states, promising to pay them an estimated $246 billion over twenty-five years and imposing new restrictions on the advertising of tobacco products. By cleverly claiming standing to sue the tobacco companies on the grounds of their need to recover Medicaid costs incurred in the treatment of smokers, the states won an enormous settlement and forced a major change in tobacco companies' business practices. Martha Derthick, however, raises serious questions about whether this entrepreneurial litigation circumvented constitutional practice by inserting executive branch officials in a province of policymaking that should have been left to the legislature.[22] Class actions have continued, nevertheless. In 2016, a federal judge approved a $20 billion settlement for those harmed by the BP *Deepwater Horizon* spill in the Gulf of Mexico.

Damages

More generally, citizens often seek to file suit against government agencies for damages they believe that government actions have caused. Such suits against the government are difficult to win because of a long-standing principle from English common law that held that "the king can do no wrong" and could not be sued without his consent. However, government *employees* can be sued for how they exercise their discretion on the job. Schoolteachers, police officers, and FBI and narcotics agents are frequent targets of tort suits. In 2014, a Pittsburgh jury awarded a Black art student $119,000 in damages for false arrest after he sued the police department for a beating he received at the hands of officers. A Baltimore resident won $70,000 in 2016 on a similar suit. In 2022, the city of Minneapolis agreed to pay out $700,000 to a dozen plaintiffs who charged they had been injured during the demonstrations that followed the deaths of Winston Smith and George Floyd at the hands of police in 2020.[23]

The courts—and juries—have become more open to suits against public officials—and to monetary damages when citizens demonstrate misconduct. In general, the principle is that the government is not liable for an act or omission when the government employee is "exercising due care, in the execution of a statute or regulation, whether or not such statute or regulation be valid," or when he or she is performing or failing to perform "a discretionary function or duty on the part of a federal agency or an employee . . . whether or not the discretion involved be abused." Government employees generally are protected by the doctrine of "qualified immunity," which grants protection for government employees acting within the law and within their official duties. In a series of officer-related shootings in recent years, juries have convicted a number of police officers for abuse of their power.

Immunity

State governments, under the Eleventh Amendment, are immune from damage suits in federal courts, but local governments are not immune. State and local officials are liable under an 1871 act that provides: "Every person who, under color of any statute [or] regulation . . . of any State, subjects . . . any citizen . . . to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law."[24] This provision is known as Section 1983 (from its location in the *U.S. Code of Federal Regulations*). Beginning in 1961, the federal courts experienced a great increase in Section 1983 tort actions, consistent with the Supreme Court's narrowing of officials' defenses. The principal defense is now lack of knowledge or presumptive knowledge of relevant provisions of the Constitution and laws.

Underlying these issues is a dilemma. On the one hand, citizens have the right to monetary compensation for damages done them by overzealous, negligent, or malicious government officials and employees. These financial damages also create deterrence for other government bureaucrats in similar cases. On the other hand, it is important for administrators to execute the law and regulations promptly and efficiently. That calls for considerable discretion in exercising their duties. If they spend too much time second-guessing the consequences, this can lead to big problems in performance. It's a difficult trade-off, made even more so by the importance of "street-level bureaucrats"[25] and the huge expansion in the legislature's delegation of discretionary powers.[26]

The Policymaking Role of the Courts

The question of access to the courts leads to some more fundamental issues: How much should courts intervene in the regulatory decisions of government agencies? How aggressively should the courts themselves work to open the doors for *judicial redress* of grievances against *administrative actions?* And who has access to these processes—is the playing field level for those who think they have been treated unfairly?

These questions raise two issues: (1) the difference between the judicial system and the administrative system in which regulatory agencies operate and (2) the array of public values

that everyone—citizens and policymakers alike—wants to see in the regulation of private affairs. How one balances these considerations has much to do with the balance between the regulatory agencies and the courts.

The Judicial and Administrative Systems

In regulatory administration, courts and agencies make strange partners, especially since the judicial system so often operates as a check on administrative action. The two institutions have different traditions and are staffed with very different kinds of people.[27]

Courts are passive. They can only act on cases that are brought before them and cannot go out on their own to solicit cases. In the case of Trump's immigrant ban, for example, judges could not decide that they disagreed with the administration's decision and issue a ruling against it. The courts could only hear challenges brought by outside parties, and those parties had to demonstrate that they had standing—that is, that they suffered damage, of some kind, because of the policy.

Moreover, because the courts do not set policy but issue decisions on a case-by-case basis, inconsistency in judicial rulings can emerge. One court might rule one way on a case, while another might take the opposite view. It's up to higher courts to reconcile differences, but they operate on appeals, through a case-by-case basis as well. They don't have to take any case, so inconsistencies can remain unresolved. In fact, that's a major difference between the administrative and judicial processes. Administrators seek general strategies that apply broadly. Judges use broad precedents to decide individual cases. There are important underlying forces, on both sides. Administrators know that how policies affect individuals is what matters most. If a house catches fire, what matters is how well the broad policy puts that fire out. Judges know that their individual decisions can create precedents that shape policy down the road. But there are fundamental differences between the two processes that can create sharp differences—and, sometimes, conflicts.

Smart litigants, moreover, shop for a court jurisdiction most likely to rule in their favor. Some courts, for example, are known to lean more toward a conservative interpretation of the law. Others have a more liberal bent. Those opposed to expanded environmental regulations know that some judges are more likely to be more sympathetic to their argument, so there is often a rush when new regulations appear to file cases most likely to lead to the reversal of a regulation. This venue shopping plays an important role in the courts' role in administrative oversight. Moreover, courts can often signal—sometimes subtly, sometimes more directly—that they would be interested in entertaining a case on a particular issue.

In making their decisions, courts cannot reach beyond the case to make broader law. Rather, they focus on the reasonableness of a single agency's decision, made at a single point in time and affecting a single individual, corporation, or group. The court's judgment fits in a setting of legal doctrine and precedents. It tends not to pay attention to how a particular agency's decision in a particular instance fits with its broader responsibility for achieving ambitious program objectives with limited funds and staff. In fact, a court can require the agency to respond to the

case before it, without considering how this requirement may subtract from the resources supporting the agency's other programs.

Courts therefore don't make policy—but their decisions can have enormous policy implications. The Supreme Court's 1954 decision in *Brown v. Board of Education,* which ruled that "separate but equal" schools were unconstitutional, was a milestone in the fight to end segregation in the schools. It was one court decision on the case of a handful of students in Kansas—one decision that reversed almost a century of policy that had allowed discrimination. Individual decisions can have huge impact.

On the other hand, the courts have held that administrative action cannot overstep the delegation that legislatures make to executive branch agencies. In its 2022 decision, *West Virginia v. EPA,* the Supreme Court held that the EPA had exceeded the authority that Congress had delegated in setting rules for industry's greenhouse gas emissions, a decision that the Biden administration opposed that environmental groups criticized as a backtrack on clean air rules. *West Virginia* was part of a long-running battle over who gets to call the shots on government regulation.

There's a constant debate about whether the courts ought to be *passive,* limiting themselves to the cases brought before them and deciding them by the original intent of those who wrote the Constitution hundreds of years ago, or whether they ought to seek an *active* role in determining administrative policy. There's no consensus on what judicial role is better—or more acceptable. By contrast, most agencies are *active*—each one develops an agenda of priorities that balances its resources against relative opportunities for a significant impact. It also quickly turns into a basic debate over values and which institutional arrangements can best promote the views of particular groups.

REGULATION OF THE REGULATORS

Elected chief executives, of course, seek to control regulatory agencies. These agencies are central to policymaking and administration—and the executives inevitably find themselves accountable for the actions the agencies take. There often are several interrelated goals at play. Executives want to ensure that the agencies' actions are consistent with their overall policy goals. They want to coordinate their actions, so that the actions are consistent with each other. And they often want to control—sometimes restrain—the costs the regulations impose on citizens, companies, and the economy. The costs are substantial. One 2016 study by the Mercatus Center contended that federal regulations had cost the economy $4 trillion in lost economic growth since 1980.[28]

The regulatory management process has provoked much friction.[29] Over time, the Office of Management and Budget (OMB) has gained more review authority not only over the final stages of rulemaking but also over such early stages as initiation of research studies meant to contribute to agency consideration of whether to start rulemaking proceedings.[30] That sometimes has

produced delays of months, even years, in the issuance of regulations, which opponents sometimes suggested was precisely the point. OMB's Office of Information and Regulatory Affairs, a small but powerful staff of economists, attorneys, and public policy experts, has become especially important in these reviews during some administrations.

Since regulation is such an important part of policy implementation, such friction is inevitable. Regulation is the continuation of the policymaking and policy implementation processes, with all the politics, in a different forum. Executives want to control the bureaucracy and its actions. Interest groups want to win battles they might have lost in other arenas, or ensure that the battles they had won stay won. Members of the legislature know that their laws take on meaning only in the regulations written to implement them. So the political battles, sometimes over the most obscure regulations, are often very intense.

CONCLUSION

Regulation of the behavior of private individuals and corporations to protect others from harm is a central responsibility of government. The scope and methods of such regulation are disputed issues of public policy. However those issues are resolved, there is no doubt that some regulatory agencies must have considerable discretion, that this discretion can be abused, and that those who have a complaint are increasingly likely to challenge these decisions in court. Legislatures, courts, and chief executives all seek to reduce these problems, but in doing so they often see this as another opportunity to advance their own policy preferences. The steps they create can often, unintentionally or not, make it harder to write and enforce good regulations.

The balance between effective and ineffective regulation shifts from time to time, largely reflecting public opinion, elections, and appointments and attitudes of administrators and judges. As we move deeper into the twenty-first century, it's clear that government regulations have had huge impact. The air is cleaner, air travel is safer, and workplace safety is higher. But there are also big problems, like water quality in Flint. There is also a growing sense that, even though we want small government, government ought to step in to protect us from risks we face, from tainted food to exploding airbags. These underlying tensions are inevitable—and they are important signs of the underlying politics of government regulation.

Administrative discretion is tolerable only when not misused, and that shapes a major problem. One distinguished scholar of administrative law, Phillip Cooper, puts it this way:

> Just how we ensure that the public interest is served and that administrative power is not abused is the problem of administrative responsibility. . . . [While] the formal legal constraints have received the most attention . . . there is a risk that excessive concern with avoiding suits will cause us to ignore many aspects of the responsibility question of equal or greater significance.[31]

The next chapter addresses those very important aspects.

CASE 14.1: THE STUDENT-LOAN FORGIVENESS ROLLER-COASTER

In August 2022, President Biden made good on a pledge that his party's progressives had been making for years. "When America made 12 years of public education universal in the last century, we became—not figuratively, literally—the best-educated public in the world and better prepared than any other nation," he said. "But here's the deal: The cost of education beyond high school has gone up significantly. The total cost to attend a public four-year university has tripled—nearly tripled in 40 years—tripled." States, meanwhile, have been cutting back on their support for higher education; "over time, that ticket" to social and economic advancement "has become too expensive for many Americans." As a result, "an entire generation is now saddled with unsustainable debt in exchange for an attempt, at least, at a college degree."[32]

Many graduates often found that they could not afford the middle-class life for which they had worked. Many graduates couldn't afford a mortgage. And many graduates put off starting a family because of their debt load.

So Biden announced that he would extend the pause in repayments that had been created during the COVID-19 pandemic. And, in a sweeter deal for college grads in debt, he said that the federal government would forgive the first $10,000 in federal student loans. Students from lower-income families would have their debt cut by $20,000. His student-loan debt relief plan, he said, would provide help to 43 million Americans.

Republicans challenged Biden's initiative because it would fuel inflation. Within a few weeks, seven states headed by Republican governors sued to block the plan because of what they said was administrative overreach. Republican attorneys general across the country met privately to figure out the best way to stop the plan. Biden had reached too far, they said, and they decided to fight the battle in court.

The Republican strategy was to argue that the president did not have the power to cancel debt. They said he had relied on a 2003 law that did indeed give the president the power to deal with student debt, but that law, they charged, was intended to allow the president flexibility following major national disasters like the 2001 terrorist attacks. Biden's decision to use that law in 2022 was illegal, they said.

One of their challenges was finding someone who had standing to sue, a requirement that anyone filing to block an action needed to have a personal stake in the outcome. The seven states claimed that they had standing because their tax collections would shrink. Borrowers could pull their loans together in a plan that would undermine their revenues. The administration quickly countered by excluding that consolidation plan, and the Biden team thought that they had fought off the judicial challenge.

In mid-November 2022, however, a federal appeals court decided that the states were right, and the court temporarily blocked the administration from following through on its plan. Biden's Education Department officials took down the application materials that had been posted on their website.

Democrats were furious. The three-judge panel that ruled on the case was composed of two judges appointed by Trump and one by George W. Bush. It was one more example, they argued, of how elections matter. Long after they left office, the judges the previous presidents had appointed stood in the way of Biden's proposal.

Biden didn't give up. He and his legal team continued to fight the battle in the courts. The basic issue, it turned out, was whether they could find a provision in the law to allow them

to cancel the debt. For Republicans, the basic issue was whether they could convince judges that the president was reaching too far. The executive decision depended on the judiciary for its outcome.

Questions to Consider

1. Do you believe that it's good policy to cancel student debt? Or should debt relief be more targeted?
2. Do you believe that the president ought to have the right, by executive action, to make such a decision? Or that such a decision ought to be made by Congress?
3. If you wanted to block the Biden decision, what arguments would you make?
4. If you wanted to support the Biden decision, what arguments would you make?

CASE 14.2: HAS THE SUPREME COURT UPSET THE ADMINISTRATIVE WORLD?

When the Supreme Court issued its divisive environmental policy decision, *West Virginia v. EPA*, at the end of its 2022 session, conservatives applauded that the Environmental Protection Agency "can no longer sidestep Congress to exercise broad regulatory power," as West Virginia Attorney General Patrick Morrissey put it. The decision shut down what the Heritage Foundation's Derrick Morgan called a "power grab" by EPA.[33]

For the Biden administration, it was "another devastating decision that aims to take our country backwards," the president charged.[34] The outgunned liberal minority on the Court said that the ruling had stripped EPA's power "to respond to 'the most pressing environmental challenge of our time.'"[35]

The battle over the deep state—and, especially, administrators' power to interpret the law in ways that fit the president's own policies—has never been so intense. Does the case really mean that the Supreme Court has kneecapped the power of federal bureaucrats?

The case is important because it points directly to the key issues of trying to run a government in an age of such polarization. The Court's apparently clear dictum—that, in important policies, federal administrators only have the power that Congress explicitly gave them—is actually anything but. And its efforts to rebalance the separation of powers is likely to bring much greater confusion than clarity.

For federal program managers, the question of how best to follow the law has always been a delicate dance. When the Johnson administration launched its War on Poverty nearly sixty years ago, reformers not only worried about providing money to the nation's struggling cities. Johnson wanted to transform political power and pledged "to strike away the barriers to full participation in our society." The goal was not only to help the poor but also to empower them.

To make that work, the law required programs to provide "maximum feasible participation of residents of the areas and members of the groups served." The phrase "maximum feasible participation" invited a carnival of conflict. Just what did "participation" mean? That administrators needed to listen to citizens—or follow what they wanted? Just what is "feasible"—and who gets to decide? And don't even get me started with "maximum."

Congress, in fact, fell so much in love with the word *feasible* that it used it three other times in the antipoverty act to describe times when federal administrators were responsible for doing things to the "extent feasible." Take the brand-new idea of showering local governments with cash, transforming their political decision-making, and adding federal requirements, and the circumstances were ripe for conflict.

In fact, the always sage and invariably contentious Daniel Patrick Moynihan could not resist spinning off the phrase for his 1969 book, *Maximum Feasible Misunderstanding*, which held that the program was the product of activist social scientists and the New York elite.[36] One of Robert F. Kennedy's former legislative assistants countered that Moynihan's argument was a "long exercise of condescension," and that his appointment to the Nixon administration was "evidence that in some high places, snake oil still passes for medicine."[37]

The charged rhetoric in *West Virginia v. EPA* thus is part of a long-running battle over who gets to call the shots on government policy. It's also a snapshot of the position in which government managers find themselves as they try to administer the law, and that cuts in three ways.

First, the more contentious an issue and the more polarized the politics, the more vague legislation is likely to be. Getting anything passed in Congress means finding language around which the sponsors can cobble together a majority. The easiest way to do that is to agree on something fuzzy. Indeed, ambiguity is often the only road to getting anything done.

In *Chevron v. Natural Resources Defense Council* (1984), the Supreme Court held that it was acceptable to find "reasonable" interpretations when statutes are "ambiguous." Giving administrators that much discretion was a bad idea, the Court decided in *West Virginia*, and it pushed back on Congress to be clearer and administrators to be less far reaching.

That might be a neat bit of judicial argument, but it's politically impossible. In fact, if the Court holds to that principle, the result is likely to be even more gridlock, because the Court will be asking for Congress to do what it can't do now, if it ever could in the past.

Second, no matter how hard Congress tries, ambiguity is the inevitable product of lawmaking. When laws run thousands of pages, and when they're often glued together in late-night conclaves near the end of sessions, inconsistencies are inevitable. There often are more and less smart ways to do things, and if laws on the other hand are overly prescriptive, administrators can find their hands tied when it comes to saving taxpayer dollars.

Indeed, it's often smart to leave wiggle room in new laws, because many legislative issues are so complicated that only the teams of experts in federal agencies are likely to figure out how to actually do what Congress wants done.

Third, in *West Virginia*, the Court held that the issues in the case constituted "a major questions case," which created a tighter limit on EPA's discretion. This "major questions doctrine" had been debated for some time. *West Virginia*, however, was the first time a majority of the Court had embraced the principle and declared it a doctrine (though it's hard to see how something could be promulgated as a stated principle when the principle had not previously been stated by a majority).

Now, it certainly makes sense that "major" issues ought to be decided by Congress. But just where is the boundary? How major an issue is "major?" The label has shades of "maximum feasible participation" and invites an avalanche of judicial challenges.

The Supreme Court set out to shift the balance of power, away from the executive and back to Congress. In fact, it has asked Congress to do what it can't (or won't) do. It has told administrators that they can't do what they often must do. And that ends up inevitably parking these issues at the Court's doorstep.

In the end, the Court probably has shifted the balance of power, but not the way it intended. By creating a series of conundrums, it has ensured that many more of these issues about administrative power will end up on its own docket. That would shift the power not

only away from executives but also away from Congress. It puts it, instead, into the hands of a small coterie of black-robed figures who have neither the expertise nor the instincts for sorting through the big issues of the administrative state.

Questions to Consider

1. Do you think that the growing polarization of politics in general—and Congress in particular—is likely to lead to fuzzier legislation and, therefore, of more issues being tossed to the courts to decide?
2. Consider the precedent set in *Chevron.* If the law is vague, just how far should an administration be allowed to go in framing its interpretation of the law? Remember that a precedent set for Democratic administrations would hold for Republicans as well—and vice versa.
3. Climate change is certainly an enormous problem that needs attention. What kind of strategy would you put together at the federal level to advance the actions you think are most needed? How would you negotiate the difficult separation-of-powers questions at the core of this debate?

Note: This case originally appeared in *Governing* magazine(July 2022).

CASE 14.3: PROFILE IN ICE? LOCAL OFFICIALS OPT OUT OF FEDERAL PROGRAM THEY WORRY COULD LEAD TO RACIAL PROFILING

Arlington County, Virginia, found itself in a scrap with the U.S. Immigration and Customs Enforcement agency (ICE, for short). Local officials opted out of a federal program that requires police to send the fingerprints of those arrested to ICE for a check against the FBI database and against Homeland Security records.

Officials in Arlington worried that the information would be used for racial profiling. J. Walter Trejeada, a member of the Arlington County Board, pointed out that one-fourth of the county's residents were born outside the United States and that one-third of the residents were multiracial. Bringing the federal immigration database together with the local arrest records, he feared, could lead to a dangerous blurring of responsibilities. John Morton, director of ICE, countered that local officials simply weren't responsible for federal policy. "No one in the Department of Corrections, no one in Arlington County, no one in the other jurisdictions in Virginia is being asked to enforce federal immigration law."[1]

The battle erupted out of requirements in the federal Secure Communities program, administered by ICE. The program's website noted that

> ICE is committed to protecting civil rights and civil liberties, and is serious about responding to complaints or allegations of racial profiling as a result of Secure Communities. Individuals and organizations should report allegations of racial profiling, due process violations or other violations of civil rights or civil liberties related to the use of this capability.[2]

But critics wondered if trading fingerprints was really advancing homeland security. One study concluded that "DHS's track record on prioritizing violent criminals is far from stellar, leaving much doubt about ICE's compliance with the stated intentions of the Secure Communities program."[3]

In New York, demonstrators picketed the governor's New York City office. "We were basically asking Governor Paterson to rescind the agreement involving S-Comm. The program is going to further terrorize our community and tear our families apart," Manisha Vaze, a representative of Families for Freedom, argued. "I think it's important that people know that the name Secure Communities does the opposite of what its name implies. It is masked as something that will benefit our community when in reality people don't know what the program is all about . . . mass deportation." A spokesperson for ICE countered, "People are going to be arrested regardless." He defended the program by arguing that it was whether an individual committed a crime, and not his or her appearance, that prompted the program. "Of course you don't expect to be arrested because of how you look, whether it's Asian, Hispanic, Indian or whatever. If you commit a crime then you can start to worry. S-Comm will simply provide more tools to find out arrestees' criminal and immigration histories."[4]

In Virginia, Attorney General Ken Cuccinelli welcomed the program as an important tool in crime prevention and homeland security. He pointed out that state law requires local governments to submit fingerprints to the state police, who in turn check them with the FBI database. "It's not a situation where Arlington's fingerprints can be treated differently," he argued.[5]

Questions to Consider

1. Map the regulatory chain for this program. Who's involved, and who's doing what?
2. Do you believe that communities ought to have the right to opt out of such national programs? If they can do so, can a national program truly be national? If you don't believe they should be able to do so, is there any place to draw the line in federal rules on local policing?
3. One of the issues prompting the Safe Communities program was the painful lesson taught by the September 11, 2001, terrorist attacks. One of the hijackers was stopped by a police officer for a routine traffic check, but the hijacker didn't trigger any alarms. The Safe Communities program applies only to people who are arrested, but federal policymakers were haunted by the possibility that a local government might have a potential terrorist in jail but fail to connect the dots with the federal FBI and immigration databases before an attack. Does the program make sense in this context?

Notes

1. Dena Potter, "ICE: No Opt-Out for Program Checking Legal Status," *Associated Press* (October 8, 2010), http://www.sandiegouniontribune.com/sdut-ice-no-opt-out-for-program-checking-legal-status-20100ct08-story.html.

2. See https://www.ice.gov/secure-communities#tab1.

3. Immigration Policy Center, *The Secure Communities Program: Unanswered Questions and Continuing Concerns* (November 4, 2010), http://www.immigrationpolicy.org/special-reports/secure-communities-program-unanswered-questions-and-continuing-concerns.

4. Daysi Calavia-Lopez, "Rally against the Secure Communities Program," *Queens Courier*, December 22, 2010.

5. Potter, "ICE."

KEY CONCEPTS

antitrust laws
class action
cost-benefit analysis
economic regulation
Federal Register
risk assessment
social regulation
standing

FOR FURTHER READING

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SUGGESTED WEBSITES

The issues of government regulation provide rich puzzles for internet-based research. Many complex public policy questions have played out through studies and analyses, which can easily be found through web search engines.

The federal government's catalog of regulations can be found on the U.S. Government Printing Office website, **www.gpo.gov/fdsys/search/home.action**. GPO publishes the Code of Federal Regulations, as well as the daily changes to federal regulations that are published in the *Federal Register*.

The National Academy of Public Administration has conducted an exhaustive study of federal clean air regulations. See the 2003 report, *A Breath of Fresh Air: Reviving the New Source Review Program*, which is available at **www.napawash.org**. In addition, the Government Accountability Office, **www.gao.gov**, regularly reviews regulatory issues through its studies.

Moreover, many government regulatory agencies have their own websites, which are invaluable for tracking policy issues. See, for example, the website for the National Highway Traffic Safety Administration, **www.nhtsa.gov**, for information about the safety of cars and trucks; the Food and Drug Administration, **www.fda.gov**, for the safety of prescription and over-the-counter drugs; and the Environmental Protection Agency, **www.epa.gov**, for clean air and water regulations

At a subcommittee of the House Committee on Oversight and Reform, Javier Cazares (center) watches intently at an oversight hearing investigating the death of his daughter and others at Robb Elementary School in Uvalde, Texas.

Source: Saul Loeb via Getty Images

15 ACCOUNTABILITY AND OVERSIGHT

LEARNING OBJECTIVES

- Explore the five tough questions of accountability
- Understand the role of public administration in the separation of powers
- Explore the role and function of legislative oversight of administration
- Understand the role of central performance and accounting agencies in oversight
- Examine the implications of performance information to promote accountability
- Assess the role of legislative oversight and control of administration
- Take a final look at the challenges for accountability in modern public administration

Accountability is the core of this book. And for many Americans—policymakers, journalists, and citizens—accountability is a distinctly negative concept. There's an underlying sense that government doesn't work well. There's an assumption that this is due to poor performance by government bureaucrats. There's an inescapable impetus to identify those responsible and fire them. And, if that doesn't work, then fire more bureaucrats.

Indeed, proposals have surfaced at all levels of government to make more government employees "at will," without civil service protections, so they can be fired if they don't perform well. More than half of state governments have moved to such a system, as we saw in Chapter 10, and serious proposals have surfaced to make all federal employees at-will employees.

Violence erupted in Ferguson, Missouri, in 2014 after a police officer shot a Black teenager, Michael Brown. The incident cost the police chief, Thomas Jackson, his job. The new chief, Delrish Moss, took a tough stand. "If you work hard, if you stay honest and committed, if you maintain respect for the community and do your job well, we will get along just fine," he told his officers. And then he continued: "If you fall short of that, and it's through a mistake of the head, we will work to correct that. But if you do it with malice, if you do the job in a way that disrespects the badge that you hold, I will see to it that you are either removed from police service, or further prosecuted."[1] Moss knew he had to work hard to change the culture of the city's police force—and to regain the trust of the community. Harsh eyes, from around the country, watched every step he made.

FIVE TOUGH QUESTIONS OF ACCOUNTABILITY

Is this what accountability means? A deep suspicion of government, with a focus on firing? These questions raise a series of tough issues.

First, it's impossible to deny that trust in government—and in government's ability to perform—is at a historic low. Citizens are suspicious, and reporters can't resist a fraud-waste-abuse

story. In fact, this helps reinforce citizens' suspicions and the media's instincts—citizens pay attention to these stories, and reporters can't resist writing them. When problems occur, as they inevitably do in any large, complex system, they demand attention. And when administrators are at fault, they ought to be fired. So it's very easy to understand how these pressures shape the public debates about accountability.

Second, it's easy to understand the frustration of citizens and elected officials when it seems to take so long to fire bureaucrats accused of misbehavior. In the case of the U.S. Department of Veterans Affairs (VA), in fact, even Deputy Secretary Sloan Gibson was frustrated, and he admitted that "this process took far too long."[2] The delays make the bureaucracy look even more rigid, unresponsive, and unaccountable. The reasons, of course, are far more complex than the headlines. Government employees have substantial due-process protections, deeply rooted in more than a century of the civil service, precisely because the system's founders wanted to make it hard for political officials to fire career bureaucrats. Otherwise, they worried, the bad old days of political pressure and patronage would creep back into the system. The delays in the VA came from the time it took to carefully investigate the case and to work through the complex procedures on firing. The instinct to fire bureaucrats must be balanced against the need to protect careerists against political pressure. We have never been comfortable with that trade-off. However, as trust in government has declined and media coverage has become intense, anger at these trade-offs has vastly increased.

Third, although the instinct to fire poor performers is strong, pinning specific blame for particular problems on individual administrators turns out to be very hard. As we have seen in this book, American public administration has become ever more blended, with responsibility for management of government programs shared among multiple agencies, multiple levels of government, multiple sectors, and even multiple nations. We have created such a blended system to give us more administrative flexibility and to expand government's reach without expanding the number of government employees (especially at the federal level). But a direct consequence of these changes is that responsibility for implementation has become more broadly shared, and that makes it hard to identify single individuals responsible for poor performance. No matter how strong the instinct may be to fire, it's hard to do so if it's hard to identify clearly who is responsible for problems.

Fourth, the question of firing bureaucrats is always a political as well as an administrative act. It represents a decision about the values of the agency and of the people doing the firing. And public administrators are the symbolic face of governmental policy, so arguments to fire them are also actions to attack the programs for which they're responsible.

These four issues point to a fifth important point: no matter how unhappy we might be about government performance, we can't fire our way to success or accountability. Public administration is far too complex for that to work. The irony is that problems of performance have led to an instinct to solve them by firing bureaucrats. Firing bureaucrats, however, often only undermines the ability of government to perform, because good work ultimately depends on good people who are strongly motivated to do well. That is the puzzle of accountability we'll explore in this chapter, beginning with a look at the principle of separation of powers that is the foundation of our political system.

THE SEPARATION OF POWERS

The classical view of the policy process—and the foundation of accountability—begins with a clear line between the legislative and executive branches: the legislature makes policy and the executive branch implements it. In reality, the roles are far more complex and the lines much more blurred. In much of the American system, the Constitution creates elaborate checks and balances, not just a separation of powers, which means that political responsibility is shared, not separated.

Furthermore, as one scholar of congressional oversight has pointed out, "oversight is in many respects a continuation of preenactment politics."[3] The political battles of the legislative process continue to play out in the administrative process. Political forces that lose in the legislature often try to regain the advantage as administrators take over, and the forces that win the early battle must continue to struggle to make sure they retain their edge. Laws must be translated into rules; rules must be supported by budgets. And in the richly textured system of American federalism, few decisions rest at a single level of government.[4] That quickly focuses the question of political control of administration on the role of legislative oversight. Much of the analysis about legislative oversight focuses on Congress, but most of the issues apply just as sharply to oversight by state legislators, county boards, and city councils. Legislative oversight of administration is the foundation of accountability, but it is full of deep, underlying conflicts and paradoxes.

The Paradox of Oversight

At the core of legislative oversight is a profound paradox: although much of what legislatures do is oversight, in one form or another, oversight tends to rank low among legislative priorities. Nevertheless, oversight is essential to effective administration because, as Chapter 13 discussed, policy has little meaning except in its implementation.

At the federal level, one panel of experts has pointed out, "oversight permeates the activities of Congress."[5] Many congressional actions involve some form of supervision of administrative actions, from the enactment of laws and budgets to committee hearings to program reviews by congressional staff agencies, such as the Government Accountability Office (GAO) and the Congressional Budget Office (CBO). Variations in the level of oversight can be quite remarkable, from investigation of a program's overall performance to probes of the most detailed of program activities. Nothing the federal government does lies beyond the reach of legislative oversight.

This penchant for particulars imposes a heavy burden on top administrative officials. Former secretaries of state Henry Kissinger and Cyrus Vance, for example, complained, "Surely there are better ways for the executive and legislative branches to consult than having the secretaries of state and defense spend more than a quarter of their time on repetitive congressional testimony."[6] As the federal government tried to strengthen its homeland security system in the aftermath of September 11, 2001, investigators found that many of the worst problems originated in the Immigration and Naturalization Service (INS). They discovered that the agency was allowing too many security breaches and struggling to cope with a rising paperwork

backlog. One critic felt that congressional micromanagement had caused many of the agency's problems. What Congress most needed to do, the expert concluded, was to make up its mind and then get out of the way.[7] What Congress did instead was to break INS into three different agencies—Citizenship and Immigration Services, Customs and Border Protection, and Immigration and Customs Enforcement—which multiplied the problems of coordination.

Despite the enormous power that oversight can bring, oversight usually is a low priority for legislators. Routine oversight does little to enhance a member's reputation back in the district. What matters most is passing legislation, taking stands on issues, and tending to constituents' needs through casework to solve constituents' problems.[8] Members are typically more interested in shaping the immediate future than in investigating what has gone wrong in the past—that is, unless, past events offer the opportunity for new media coverage. An old joke in Washington is that the most dangerous place on Capitol Hill is between a member of Congress and a television camera. Immigration hearings rarely attract much public or media attention, but a 2010 immigration hearing featuring celebrity comedian Stephen Colbert packed the congressional hearing room and led to committee members sparring for the limelight. When Transportation Security Administration lines became hours long in 2016, many members of Congress were on television demanding a fix—which came quickly, given the glare of TV lights. Comedian Jon Stewart's public challenge to members of Congress to fund the health fund for 9/11 first responders got national attention, even on rival television networks.

The important policy problems always involve difficult and detailed issues, and legislators rarely want to spend time learning them. They've found that constituents often care much more about help in getting Social Security and disability benefits, Medicare reimbursements, admission to a veterans' hospital, emergency home leave from military service, or a flag that flew over the Capitol. (Anyone can request a flag that flew over the Capitol through a request to the U.S. senator or representative to the U.S. House, starting at $15 for a cloth flag.) For state legislators, there is a cascade of complaints about motor vehicle licensing or highway signs. In fact, many *state* legislators get calls from constituents trying to sort out their *federal* Social Security checks. They've learned that it never makes sense to send them elsewhere—and that they get credit for helping solve a problem, even if it's not one of theirs. Legislators also pay a great deal of attention to fighting for projects in their districts—roads, dams, job training programs, and money for schools.

This frames the paradox of oversight: while nearly all legislative activities are a form of oversight, the activities in which legislators are most likely to be involved are least likely to provide good information about or leverage over administrative problems. When there's a chance to embarrass executives of the opposite party, the taste for oversight grows.[9] Most of the time, however, oversight is likely to be unsystematic, sporadic, episodic, erratic, haphazard, ad hoc, and based on a crisis.[10] Long-term improvement of implementation requires systematic, sustained attention. Legislators' incentives are often very different from what's required to improve policy implementation.

Mathew D. McCubbins and Thomas Schwartz have christened this approach **fire alarm oversight**, in which legislators focus their oversight on problems as they arise. McCubbins and Schwartz contrast this to what they call **police patrol oversight**, in which legislators conduct routine patrols exploring the implementation of programs. They contend that the approach

produces oversight that is much more effective: through periodic interventions sparked by apparent problems, members of Congress can more clearly define the goals they have in mind. Moreover, they contend, responding to problems as they arise is much more likely to detect troubles than is maintaining a regular police-patrol style.[11] There's much debate on this proposition. Opponents suggest that the fire-alarm style misses the opportunity to fix little problems before they become big ones and that it encourages legislators to play for the issues most likely to attract the cameras. At the very least, however, the debate makes an important point: oversight is a much more subtle process than the formal checks-and-balances system might suggest.

The Purposes of Oversight

Even if it is intermittent and ad hoc, oversight nevertheless serves important purposes for legislators[12]:

- *Checking to ensure that administrators follow legislative intent.* Legislators naturally wish to ensure that administrators' actions are consistent with what legislators intended in passing legislation. That intent is sometimes hard to determine, of course, because legislation is notoriously imprecise. Often, in fact, legislators do not know what they want until they see what they get. In these cases, oversight provides an opportunity for communicating more clearly, if often informally, to administrators just what results legislators expect.
- *Investigating instances of fraud, waste, and abuse.* This unholy trinity is a frequent target of legislative investigations. From stories of overpriced hammers purchased by the Pentagon to suggestions of irregularities by contractors serving Native American reservations to problems with the parking authority, allegations of inefficiencies and illegalities frequently fuel the kind of press attention that draws legislators, which often sparks oversight.
- *Collecting information.* Since many programs must be reauthorized, oversight gives legislators and their staffs the opportunity to obtain basic data that will help them determine how laws ought to be changed and which new laws should be enacted.
- *Evaluating program effectiveness.* Oversight can also provide legislators with information about how well a program is performing. This information can help legislators determine how best to improve an agency's effectiveness.
- *Protecting legislative prerogatives.* Legislators also sometimes use oversight to protect what they view as their constitutional rights and privileges from encroachment by the executive branch. The checks-and-balances system often breeds boundary-line disputes, and oversight gives legislators an opportunity to defend their points of view.
- *Making personal advocacy.* Oversight frequently gives legislators their own "bully pulpits" from which to advance programs of interest and to attract publicity. Some legislators have built their reputations by championing particular causes, while others have used televised hearings to promote their careers.

- *Reversing unpopular actions.* Finally, oversight provides members with leverage to force agencies to reverse unpopular decisions. Through veiled threats and direct confrontation, legislators can signal administrators about what activities are unacceptable and what can be done to address members' concerns.

Legislative oversight occurs through several channels. We will focus especially on the work of Congress, which provides a model for how many state and local legislators operate. We will examine in particular the work of legislative committees and their staffs and the role of legislative support agencies, like GAO.

LEGISLATIVE OVERSIGHT OF ADMINISTRATION

Even more than is the case with their legislative work, legislators depend heavily on their committees for monitoring administrative agencies and their implementation of programs. Indeed, the connection between congressional committees and administrative agencies is one of the most important in government.[13] The old saying "Congress at work is Congress in committee" applies especially to the executive–legislative relationship. Committee members write the legislation and fund the programs that bureaucrats must implement; the bureaucrats' decisions affect the members' abilities to claim credit for governmental action. It is an exchange relationship: "The ability of each to attain his goals is at least partially dependent on the actions of the other," R. Douglas Arnold wrote.[14] For state and local government legislators, where elected officials often have much less staff help, these issues are often even more important.

Legislators have powerful sanctions in their arsenal, but their use of these tools varies. Some committees engage more frequently in oversight, especially those watching over agencies that must receive annual appropriations. Some committees are far tougher in approving budgets than others. Furthermore, some committees tend to be largely populated by members whose goal is constituency service and, in providing that service, bureaucrats can gain powerful allies. However, oversight may be harsher when a committee has a broad national agenda (such as education or labor), instead of a narrow constituency focus.[15] Nevertheless, "committees in both houses tend to give more attention to investigations of broad policy questions than to inquiries into agency implementation of programs."[16]

Varieties of Committee Review

Three sets of standing committees have responsibility for **legislative review** (the official term for legislative oversight): regular legislative committees (usually known as **authorizing committees**, because they prepare the laws that authorize programs), **appropriations committees**, and committees on government operations.

Authorizing committees can initiate, review, and report out bills and resolutions in particular subject-matter areas (such as labor, commerce, education, and foreign affairs). Each has the oversight responsibility to review the administration of laws within its jurisdiction. While some legislative committees have conducted extensive oversight, the overall tendency is for these subject-area committees to concentrate more on the passage of new laws than on review of the

execution of existing ones. Further decreasing the frequency of oversight here is the growth in the number of programs receiving permanent authorizations (mandatory programs, especially entitlements, as we saw in Chapter 11). When program managers do not need to appear regularly to request continuation of their programs, the likelihood of oversight diminishes. Some committees are also moving toward longer reauthorizations to help reduce their workload, which has further reduced the opportunities for oversight.[17] Furthermore, some legislative committees (and subcommittees) are so close to agencies and the programs under their purview that they are not eager to launch deep probes into administrative mismanagement or program ineffectiveness.

Appropriations committees have the most impressive credentials for control of administration: prestige, broad scope, power, and competence. Appropriations committee members, and especially their staffs, typically command knowledge of agencies and programs rivaling that of career administrators and surpassing that of political executives. Yet Congress cannot rely on the appropriations committees for the oversight function, because the members of these committees are already heavily burdened by their primary responsibility: they operate under the time pressure of the annual appropriations process, and their focus is on dollar figures and incremental changes from the previous year.

The House Appropriations Committee's oversight, a staff member has said, is wide but not deep, whereas legislative committees' oversight is deep but not wide.[18] Moreover, with the rise of mandatory programs and reconciliation legislation discussed in Chapter 12, the influence of the appropriations committees, on both budgeting and congressional oversight, has decreased. In the early 2010s, Congress banned the use of "earmarks"—targeted spending on particular projects, favored by one or two members of Congress—in an effort to bring spending under control. But that in turn has diminished the leverage of the appropriations committees over the process and made it harder to put together deals to pass legislation. Some members of Congress, as a result, have quietly discussed bringing earmarks back.

The Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform have the broadest responsibility and strongest powers for overseeing administrative activities. (After September 11, 2001, Congress rolled the new homeland security mission into governmental affairs to create a more unified look at governmental operations.) Since the early 1800s, Congress has used such committees to go beyond the usual grasp of legislative and appropriations committees. They are *the* oversight committees of Congress, and their jurisdiction is not constrained by the usual departmental or committee boundaries.[19]

While their potential for effective oversight is great, these committees have traditionally ranked relatively low in prestige.[20] One consequence is that the committees' members focus their primary interest elsewhere: members serve on multiple committees, and their other committee assignments often offer more of what they need for reelection. The oversight committees rarely have adopted any strategy to guide their work in monitoring administrative agencies, and the subject-area committees have jealously guarded their jurisdictions from review. When investigations promise big headlines, other committees are quick to seize the agenda. Both houses' oversight committees have been highly selective and episodic in the choice of the administrative

activities to be reviewed, generally reflecting their own specific areas of legislative jurisdiction (e.g., executive reorganization, intergovernmental relations), reacting to public scandals, or registering the special concerns of leading committee members. They rarely have been able to pursue sustained investigations, however, because they receive only modest funding.[21] When major issues surface, such as the conduct of the second Bush administration's war in Iraq or decisions about licensing a new drug, the authorizing committees tend to take center stage.

Oversight and Redundancy

The problem of legislative control, at all levels of government, is clearly not a shortage of committees with oversight responsibilities and opportunities. Indeed, the multiplicity of committees and the overlaps among their jurisdictions provide many different avenues for legislative influence on administrative activities. In Congress, the increasingly decentralized system has expanded the points of access and the number of hearings, but "it has at the same time weakened the ability of Congress to conduct serious oversight and administrative control." The growing complexity of administrative activities, the difficulty of developing good information about program performance, and the counterbalancing power of interest groups all combine to lessen Congress's direct leverage over the executive branch.[22]

As experts debated the creation of the new Department of Homeland Security in 2002, congressional scholar Norman J. Ornstein counted thirteen House and Senate committees with at least some jurisdiction over the issue, and there were more than sixty subcommittees sharing jurisdiction—with a total of eighty-eight committees and subcommittees in all.[23] After September 11, 2001, anyone who could assert jurisdiction over a piece of the action did so. For top officials at the Department of Homeland Security, the situation is even worse. More than eighty congressional committees and subcommittees oversee the department's vast operations. Constant congressional hearings, which are essential for accountability, make it hard to get the department's work done.

Such redundancy has magnified Congress's oversight problem. Changes in the budget process have duplicated the number of reviews to which agencies are subjected and have blurred the question of who oversees what. As one Georgetown University study on defense oversight argued, "redundancy in the congressional review process seriously aggravates the oversight problem." The redundant steps mean that "Congress rarely takes conclusive action on any issue," as a Senate Armed Services Committee staff report concluded.[24] One estimate is that assistant secretaries must spend as much as 40 percent of their time preparing for congressional testimony and responding to inquiries by members of Congress.[25] Thus, congressional committee structures and operating rules hinder rather than help in the oversight of administration. The multiplicity of committees overseeing the Department of Homeland Security led to constant complaints by senior officials, who said they needed to spend so much time tending their congressional relationships that they had little time left for their work. In 2008, Stephen R. Heifetz, the department's deputy assistant secretary for policy development, argued that "Congress should step back, streamline the number of committees with responsibility for homeland security—and give us room to do our job."[26] Congressional committees might reply that there was nothing more important in doing the job than ensuring accountability to Congress.

Congress's ability to monitor administrative activities effectively depends on its access to information, most of it generated in the executive branch. On the one hand, there are significant barriers to obtaining information about what is happening in the executive branch; on the other hand, legislators typically are awash in data. Effective oversight requires separating the truly useful information from the huge volumes of paper that flood Washington—as well as state capitals and city halls. Distilling the key issues from the mass of detailed data evokes the classic problem of trying "to distinguish the forest from the trees."

Barriers to Information Flow

Since Congress depends heavily on outside forces for the information needed to drive oversight, barriers in the way of the flow of information have a huge impact on the quality of oversight. Several kinds of barriers, both institutional and political, can effectively impede the flow of information.

Secrecy

Secrecy, particularly in the conduct of foreign affairs, the planning of military strategy and tactics, and the pursuit of intelligence activities, is the most formidable barrier.[27] Few would argue that these matters should be carried on in full view of the public or, for that matter, of the 535 members of Congress. The problem is that under the guise of national security, it is possible for administrators to classify documents—and classification, once done, is difficult to undo. During World War II, for example, documents often received security classifications simply because classified documents were delivered more quickly. In the Defense Department, even newspaper clippings have been stamped "secret," and a memorandum urging less use of the top-secret classification was itself classified top secret.[28]

Forty years after the end of World War II, the Tower Commission, investigating the Reagan administration's elaborate plan to sell arms to Iran to secure the release of Americans held hostage there, and then to divert the arms-sales profits to aid the Contras in Nicaragua, concluded that "concern for preserving the secrecy of the initiative provided an excuse for abandoning sound process."[29] Members of Congress since have complained that they had not received timely information from the Pentagon about problems with the war in Iraq, especially about abusive treatment of Iraqi prisoners by American soldiers. Senator Carl Levin (D-Mich.) sternly admonished Defense Secretary Donald Rumsfeld in 2004 that consultation with Congress "is not supposed to be an option but a long-standing and fundamental responsibility" of administration officials.[30]

Members of Congress continually grumble that they have a hard time getting the information they want to oversee administrative actions. Administrators sometimes solve this problem by providing classified information to a few selected committees in executive session, closed to the press and the public (usually the House and Senate Intelligence Committees), or just to the chairs and ranking minority members of such committees. When news broke in 2013 (through leaks of classified information by Edward Snowden, an employee of a contractor for the National Security Agency) that the NSA was collecting massive amounts of information on the phone calls of Americans, many members of Congress were outraged. But both the Bush

and Obama administrations had kept select members of Congress informed on the details, and the NSA argued it had acted legally. There was legislative oversight. But it did not involve most members of Congress, and the members out of the loop were the ones most enraged.

Executive Privilege

A second barrier to the flow of information is **executive privilege**—a prerogative never mentioned in the Constitution but now a right that presidents have asserted to be inherent in their powers. In the government, the doctrine has most powerfully been invoked to protect the confidentiality of oral and written communication between the president and White House aides, especially during the Nixon administration's Watergate affair. The question of executive privilege has continued to resurface ever since, however, constricting the ability of courts and Congress to elicit information in incidents ranging from Bill Clinton's appearance before a grand jury investigating his personal conduct in office to George W. Bush's testimony before a commission investigating the September 11, 2001, attacks. Senior Bush aide Karl Rove claimed executive privilege as a defense against testifying before Congress on the leak of the identity of the name of a CIA spy to the media. In the long battle between former president Donald Trump and the Biden administration's Justice Department, much of the dispute revolved around whether Trump was entitled to executive privilege for many key documents.

Administrative Confidentiality

A third barrier to legislative access to information is **administrative confidentiality**, which covers two distinct practices. One is the protection of private information: individuals' tax returns, completed census forms, possibly derogatory personal details collected in investigative agencies' files, and trade secrets and financial data from businesses. Such information is normally collected by government agencies under pledges of confidentiality, and administrators argue they cannot disclose such information. Doing so, they say, would impair the government's ability to obtain full and accurate information.

The other claim to administrative confidentiality relates to drafts, memoranda, and other internal records bearing on policy issues. Agency officials contend that if such internal records were released too soon, it would make it harder for administrators to give full and frank views on complicated issues. Releasing internal memos, moreover, could create a sense that an agency is about ready to make a large, formal step on a big issue, when in fact the agency might only be looking at a wide range of options. But that only whets the appetites of legislative committees, which often can't resist the urge to dig deeply into internal debates.

Finding the Balance

Secrecy, executive privilege, and administrative confidentiality are all part of deep and lasting disputes rooted in the principles of separation of powers and the checks-and-balances system. There are deep moral and practical considerations, on one side, in favor of limiting the flow of information. There are political and constitutional principles, on the other, in favor of greater transparency. On one side are citizens' stake in the confidentiality of personal information in government files, the president's and department heads' need for candid advice from their

immediate assistants, the effects of disclosure of preliminary proposals, and the special need for secrecy in matters affecting defense and the conduct of foreign affairs. On the other side are the often deplorable results of official activities cloaked in secrecy; the people's right to know so that they can participate in democratic government; the legislature's oversight responsibilities as creator, authorizer, and financier of agencies and their programs; and its role as investigator and exposer of corrupt, illegal, and unethical behavior in the executive branch. With so many considerations in conflict, no formula, however complex, can provide an easy solution to this dilemma of administrative accountability.

THE GOVERNMENT ACCOUNTABILITY OFFICE

In helping Congress deal with the administrative challenges of government, GAO is the most important support agency. GAO has a rich history. In 1921, Congress transferred the government's auditing functions from the Treasury Department, where they had been based since 1789, to a new agency, called the General Accounting Office.[31] GAO originally was an agency wholly devoted to accounting: its staff reviewed all the federal government's spending, and employees wearing green eyeshades processed piles of paper. That role has changed radically over the years. GAO now is Congress's chief arm for examining the performance of governmental programs. That's reflected in the change in the agency's name from *accounting* to *accountability* in 2004.

The comptroller general of the United States, who heads GAO, is appointed by the president subject to Senate confirmation. Because Congress wanted to ensure that GAO was protected from interference by the executive branch, the comptroller general holds a fifteen-year term (the longest in the government, except for the lifetime appointment of federal judges) and can be removed only by a joint resolution of Congress or by impeachment.

GAO performs functions with both executive and legislative roots. Its legislative branch duties include auditing the expenditures of executive branch agencies, and its executive branch duties involve approving agencies' payments and settling their accounts. This ambiguous position has been a source of continuing controversy. When the Competition in Contracting Act of 1984 gave GAO the power to halt a contract under dispute, President Ronald Reagan objected to this power, and Attorney General William French Smith instructed executive branch agencies not to comply with the provision. A federal appeals court ultimately agreed with Congress, holding that GAO was a "hybrid agency" that could exercise such executive functions as reviewing contracts before their execution. In 1986, however, the Supreme Court held, in *Bowsher v. Synar*, that the comptroller general was an agent of Congress and therefore could not constitutionally exercise executive budget-cutting powers.[32] Thus, GAO is a hybrid whose constitutional position is a vague one.

Changes in GAO's Strategy

In GAO's early years, it focused its work on auditing federal transactions: tracking expenditures to ensure that they were legal and matched the requirements for the mission. Vouchers for all

federal transactions were transported from across the world to Washington for review by GAO. If it disapproved any expenditure, the public official who had approved the expenditure would, by law, be personally responsible for the difference.[33] The risk of such personal liability was so threatening that spending officers often asked GAO for advance opinions, and GAO increasingly preaudited expenditures before they were made. As a result, GAO not only delayed actions but became less an after-the-fact auditor than an active participant in the very transactions it was supposed to audit later. But that soon became unwieldy—and new issues of performance arose as well. That led to a fundamental shift in GAO's role.

Although GAO still has power to, and occasionally does, audit some individual transactions, it now relies more on agencies' internal audit and financial control systems. It has moved from cost accounting to program auditing, from examining the money trail to measuring program performance. Its reports on cost overruns in weapons procurement have often created sensations. But in more routine audits of agencies, GAO uses statistical sampling and other strategies to test the effectiveness of internal control systems, thus again removing itself from the burden of second-guessing every transaction. GAO has also begun identifying and tracking "high-risk programs," federal activities that have an unusually high threat for waste, fraud, and abuse. Most audits are now done in federal agencies and their field offices, so freight-car loads of vouchers (or gigabytes of electronic files) no longer are sent to GAO in Washington. These and other changes have reduced GAO staff numbers from fifteen thousand in 1946 to three thousand today.

GAO's reviews are remarkable for both their detail and their variety, as a sample of report titles shows:

- "Defense Inventory: Further Analysis and Enhanced Metrics Could Improve Service Supply and Depot Operations"
- "Low-Income Housing Tax Credit: Some Agency Practices Raise Concerns and IRS Could Improve Noncompliance Reporting and Data Collection"
- "Aviation Security: TSA Is Taking Steps to Improve Expedited Screening Effectiveness, but Improvements in Screener Oversight Are Needed"
- "VA's Health Care Budget: In Response to a Projected Funding Gap in Fiscal Year 2015, VA Has Made Efforts to Better Manage Future Budgets"
- "Visa Waiver Program: DHS Should Take Steps to Ensure Timeliness of Information Needed to Protect U.S. National Security"

In addition, GAO also produces a transition series, providing advice to members of Congress and newly elected presidents and their team on topics ranging from the budget deficit and the public service to NASA and national defense. It also produces reports on high-risk programs especially susceptible to waste and abuse. Those reports have had great impact.[34]

As a direct congressional agent exercising delegated control authority over administrative agencies, GAO occupies a powerful position. In addition, it has a substantial, skilled

investigative and analytical staff that aids congressional committees in their oversight of agency performance and sometimes conducts reviews on its own initiative. GAO sets its agenda in part through studies requested by members of Congress and in part through assessments, set by the comptroller general, on issues that deserve extra attention.

State and Local Legislative Control

GAO's influence has spilled over into the states, where many legislatures have established their own "mini-GAOs" to conduct evaluations of state programs. They often have arcane titles, such as the Virginia Joint Legislative Audit and Review Commission, California's State Joint Legislative Audit Committee, and Wisconsin's Joint Committee on Audit, but their work is just as important and far-reaching. State legislators struggle with the same problems of information mismatch as members of Congress. In states where legislative service is part time, the problem is even greater. These state-level versions of GAO are typically small but highly professional, and their work often makes headlines.

In local governments, legislators (members of city councils and county boards) rarely have a separate, GAO-style staff; they tend to rely on their own staffs. In small communities, such support is often meager, but in larger communities, legislators often have personal staffs that rival those of members of Congress.

AN ASSESSMENT OF LEGISLATIVE CONTROL

Legislative control of administration is based on the proposition that legislators as well as executives have a responsibility to see "that the laws be faithfully executed." Legislators create the programs that administrators manage. They have the power to fix problems by amending the law and appropriating money. They can oversee administration and provide a political nudge. Legislators, in short, have enormous power over the administration of law—and over the accountability of administrators. While the process is often confusing, the jurisdictions are often muddled, and legislative attention is often erratic, the whole system provides an impressive range of information and leverage, both formal and informal, for legislative influence on administrative activities.

We have, however, discovered two major problems in legislative oversight and control. One is that legislators often have limited interest and modest capacity for oversight.[35] Oversight efforts are at best intermittent, and sustained legislative attention to major administrative issues is rare.

The other problem is the danger that legislators (especially in committees and subcommittees) will intrude excessively into the executive function, sometimes to promote their own self-interest.[36] It's dangerous if legislators seek to become, in effect, co-administrators of agencies and programs. A longtime chair of the House Naval Affairs Committee, for example, was dubbed "the Secretary of the Navy" for his tireless interest in the Navy's activities. The involvement of judges in administration raises similar risks, as we saw in the previous chapter.

HOW DOES ACCOUNTABILITY WORK?

All these puzzles bring us back to the central problem of public administration, as discussed in Chapter 1: how to give administrators enough power to accomplish the work that policymakers want done, without having them exercise that power in a way that threatens democracy and liberty. Accountability, at its core, is *who is responsible to whom for what, through what means.* It is a relationship more than a process. It is dynamic rather than static. It inevitably involves politics because it goes to the core of government's actions. And it is the most important question of public administration.

Elements of Accountability

Systems for holding public administrators accountable have at least four elements: voluntary compliance, standard setting, monitoring, and sanctions.

The foundation of accountability is *voluntary compliance.* Even though people are not saints, people most of the time voluntarily comply with most of the significant constraints on their behavior. They do so for a variety of reasons, ranging from high moral standards to indifference to self-interest. As Max Weber stressed, they often do so because they believe in the legitimacy of the system of authority. Were it unrealistic to rely on substantial voluntary compliance, the scope and intensity of control systems would be unbearable.

The second element, *standard setting*—crafting rules to guide administrative discretion—sets boundaries, incentives, and penalties. It tells administrators what they are supposed to do (and what behavior they will be punished for). Some standards are obvious: few people need to be told that stealing is wrong, although petty theft—from pilfering government office supplies to using government photocopy machines to duplicate favorite recipes—is common. (And that's before the debate about using government computers at lunchtime to place online orders.) At the other extreme, some standards are so complicated that no one can know all the rules that apply to their actions: the question of how—and how much—to pay government's contractors fills thick manuals.

Frontline administrators rarely understand all the rules, and they rely on agency lawyers, procurement specialists, and accountants to raise a red flag about potential problems. Observing the standards, however, can become mechanical and trivial. Nearly everyone has had experience in dealing with administrators so obsessed with rules and forms that the basic mission of public service becomes lost. The key to effective administration lies in ensuring that attention to the details does not undermine effective pursuit of the broader policy.

Third, an effective accountability system must *monitor* whether the standards are met. Sometimes that happens in advance—an administrator may need to get an action approved in advance. Some state governments, for example, require advance approval of all administrative rules before they become effective. Sometimes, before it becomes final, an action must "incubate"—lie in a legislative committee for a fixed period (say, sixty days)—during which time committee members may (or may not) seek to persuade the agency to abort the action. Other forms of monitoring call for reviewing actions already completed. For example, monitors often conduct post audits of financial transactions and review the error rate in payments to welfare

clients. The auditors can criticize any improprieties they find and demand that the administrative agency mend its ways in the future.

Should policymakers use monitoring to identify, prevent, or correct all possible errors? It is tempting to answer "yes," but, in fact, that can make programs more expensive and less effective. An effort by the Internal Revenue Service to wring out every last nickel of taxes owed by every citizen would cost far more (in the time of revenue agents) than it would collect. A heavy-handed approach would infuriate taxpayers. So, instead, overseers selectively review administrators' actions, often in response to complaints by citizens, members of the press, congressional committees, or employees.[37] They may use sampling—by examining, say, every fifth case or by reviewing all of the cases in an agency unit in one out of five years; the sampling process shifts the focus from correcting individual errors to identifying those agencies or units that have so poor a pattern of actions that they need fundamental change. Or they may concentrate on areas (such as the awarding of government contracts or the operation of lottery programs) that might be especially prone to problems, or on programs in which government officials (such as inspectors, social workers, police officers, and other "street-level bureaucrats") frequently must make quick decisions or exercise broad discretion, which present special problems of accountability.

Finally, to be credible, an accountability system needs the ability to impose *sanctions;* if overseers find problems, there must be consequences. The delicate task here is to devise sanctions strong enough to be taken seriously by administrators but not so strong as to disrupt an agency's mission. They cannot be so punitive as to be impossible to enforce or so repressive as to require an impossible burden of proof. Sanctions can sometimes be too tough, such as when a federal agency offends Congress and Congress responds with a sharp budget cut, forcing the curtailment of important public services. Sometimes sanctions may be too mild or too poorly directed to serve as adequate punishment or deterrent, such as when a congressional investigation produces only a critical report—but no change in law or budget—so the agency may simply ignore the proceeding.

Principles to Make Accountability Work

Accountability is thus a matter of balancing internal norms with external processes. The external processes can be within the agency or from oversight bodies in both the executive and legislative branches. If the nation's founders created a separation-of-powers system to restrain government's power, American public administration has over time evolved a complex and layered system for holding administrators accountable.

The process relies on two principles to make this layered accountability system work. One is *independence:* making each control agency autonomous and insulated from those individuals and forces that might corrupt or restrain it. Independence helps ensure integrity by insulating it from the cross-pressures that often engulf elected institutions. For example, GAO is designed to be independent of the executive departments and is separate from Congress's own day-to-day work. The other answer is *redundancy:* multiplying the control agencies and overlapping their functions.[38] If one control agency misses a problem, having other control agencies with overlapping jurisdictions can increase the chances of catching it. Furthermore, competition among control agencies may stimulate energy in all of them. Inspectors general are likely to be more

vigilant because they know that GAO, the Office of Management and Budget, and congressional watchdog committees may catch anything they miss—and possibly embarrass them for having missed it.

Redundancy, of course, can itself be a problem. Multiple control agencies can make conflicting demands. For example, until the 1950s, GAO, the Treasury Department, and the Bureau of the Budget separately prescribed the kinds of information that agencies' accounting systems had to produce. On the other hand, when several control agencies have jurisdiction over an especially troublesome case, each may await another's move—and in the end, nothing may happen. Finally, redundancy has one very obvious drawback: duplication of oversight is expensive, and at some point the costs may overwhelm the advantages produced. The trick lies in getting the watchdogs to bark loudly enough to alert policymakers to problems but not so obsessively that they become a distracting nuisance.

Consider the case of Gina Gray, appointed by the Pentagon as public affairs director of Arlington National Cemetery in early 2008. She discovered that top Department of Defense officials were imposing limits on media coverage of the burial of soldiers killed in Iraq. After poking through the regulations, she found no regulation against media coverage. If families approved the coverage, she allowed it. But just ten days into the job, she found that a senior cemetery official moved the media fifty yards from the service, which made it impossible for reporters to hear or photograph the service. Her supervisors took away her smartphone, demoted her, and ultimately fired her. "Had I not put my foot down, had I just gone along with it and not said regulations were being violated, I'm sure I'd still be there," Gray told a *Washington Post* reporter. "It's about doing the right thing."[39]

The "right thing," of course, was precisely what the issue was about. Who should make policy? What obligations do government officials have in following it? What should they do if they believe that the decisions of their supervisors violate policy or ethical standards? In a close call, should the decisions of supervisors or an official's internal norms rule? Gray decided that the rules did not forbid media coverage of the funerals and she was fired for her stand. In her termination letter, Gray's supervisor said she had "been disrespectful to me as your supervisor and failed to act in an inappropriate manner." It was an unusual typo—a double negative that created profound irony. The *Washington Post* reporter concluded, "Only at Arlington National Cemetery could it be considered a firing offense to act appropriately."[40]

Accountability, in the end, is about doing the right thing: administering the law in a way that delivers the most value to taxpayers, that advances the goals the legislature creates in law, and that builds trust in the process of governance. It's a tall order. But it's one that lies at the very core of today's government, as it has been at the center of debates about government for thousands of years.

BIG QUESTIONS

If the search for accountability is an eternal question in public administration, the field faces fascinating puzzles on the cutting edge. Consider these big, emerging questions that will shape debate about public administration in the years to come:

- *Decay.* Political scientist Francis Fukuyama has argued that government in general—and government in the United States in particular—is in decay.[41] The problem, he says, comes from the rising tide of interest groups, whose power threatens to subvert the effectiveness of government and citizens' trust in the way it works. Are the problems of trust and competence in government getting worse? Or are we simply amid the kind of periodic reassessment that has often transformed government in the past?

- *Evidence.* Reformers have called for much more policy analysis to improve government. Many current and former government officials, for example, have argued for a form of "moneyball" to bring sharper analytics to public decisions.[42] (The term comes from the analytics that baseball teams have applied in managing games—and winning pennants.) On the other hand, there isn't much evidence that policymakers—and those who oversee administration—pay much attention to the evidence we produce. Can more and better information improve public administration? If so, what forms of information are most likely to be most powerful?

- *Narrow slices.* Some scholars, like Robert F. Durant and David Rosenbloom, have argued that the field of public administration is becoming "hollowed out": that the academic study of public administration has increasingly focused on narrow questions and that its ability to improve the practice of public administration has become weaker.[43]

- *Blended government.* In my book *Escaping Jurassic Government*, I argue that American administrative strategies have become so interwoven with other governmental bureaucracies, other levels of government, other sectors, and other nations' administrative structures that it has become increasingly hard to hold the system accountable and to make it work well.[44] Can we change this basic system of interweaving? Or are there some strategies most likely to make it work better?

- *Administrative law.* Administrative law was once the cornerstone of public administration: a system for understanding how the rule of law structures administrative actions and holds them accountable. It's fallen on hard times—and, with the rise of interweaving, private law has often pushed it aside. Should we devise a strategy for bringing administrative law back into the center of the field?

- *Federalism.* It's hard to imagine any domestic program that doesn't depend heavily on partnerships between the levels of government. From the administration of food safety to the financing of government health care programs, federalism is central. Indeed, the case with which we began this book—COVID-19—is at its core a federalism problem. But the study of federalism has shrunk in the last generation. Is it time to bring it back, with a fresh foundation built from twenty-first-century challenges?

- *Strategic human capital.* An enduring theme of this book is that people—government administrators—matter. A lot. The quality of government depends heavily on the quality of people who work for it. However, there's little attention to this issue inside government, and human capital attracts little research among scholars. Would public administration be stronger if we paid more attention to these puzzles?

We could put together a longer list. But even these items reinforce one fundamentally important issue: the field of public administration is one of enormous importance and fundamental change. It's an area sure to attract the keen interest of scholars and to provide unmatched opportunities for young professionals. Public administration is one of the oldest disciplines, with roots stretching back to biblical times. The fundamental questions are not going away, and the new puzzles are making the fundamentals even more important, with accountability at the core.

CONCLUSION: ETHICS, POWER, AND THE PUBLIC SERVICE

No matter how many layers of accountability policymakers build, the responsiveness and effectiveness of public administration depend ultimately on the ethics of individual public administrators. One implication of Michael Lipsky's theory of street-level bureaucrats, mentioned in Chapter 14, is that many administrators operate far from the view of elected officials and top policymakers. They have broad discretion on how they do their jobs, they have a big impact on the lives of citizens, and there are few watchdogs on hand to catch misdeeds. Roving television news helicopters might occasionally catch an unusual event, and investigative reporters are always on the prowl for a good story. The inescapable fact, however, is that the quality—as well as accountability—of the administrative system depends critically on the decisions that individual administrators make and the values they hold in making them.

Debates flourish over whether ethics can be taught. Researchers of child development constantly remind us that the values of most children are formed by the age of three years. Moreover, debates constantly swirl over whether ethics can be reliably enforced. No amount of oversight can fully control the uncountable numbers of individual decisions that administrators make every day to make public administration work.

The surest course to an ethical public administration is a careful balance—and a constant recognition of the ethical issues that swirl around all administrative decisions. It requires a balance between the individual values of public administrators and the professional training they bring to the job. It requires a balance between the cultures of their agencies and the oversight of external forces. Most of all, it requires a strong relationship between public administrators and the citizens to whom they ultimately are responsible, for the effective use of public power and for the responsible protection of individual freedom.

In modern democracy, moreover, there are fundamental questions about the power—and accountability—of bureaucracy. The hyperpolarization of American politics has pushed more of society's most important decisions onto the bureaucracy, from the COVID-19 case with which we began to how to respond to global warming. That, in turn, has ratcheted up the critique that bureaucracy is too powerful and that elected officials—and the people—too often lack control over what the bureaucracy does.

In his 2023 Donald Stone Lecture to the American Society for Public Administration, Francis Fukuyama countered, "The central problem with bureaucracy today is not that it's insufficiently constrained, but that in many cases it's overly constrained, and therefore cannot produce the outcomes that citizens demand of their government." To build trust and legitimacy, government needs to perform well. The more government's rules and political pressures

constrain the expertise of public administrators, the less effective the bureaucracy—and therefore the government—is likely to be. "It is not true that the bureaucracy is out of control," Fukuyama explained, but the frustration of many Americans with the bureaucracy is understandable. What Americans really do not like is that "bureaucracy follows too many rules and, as a result, they don't achieve the outcomes that Americans expect." The result is an "excessive proceduralism" that cripples the bureaucracy. To trust bureaucracy and to accept its legitimacy, we need to understand that "legitimacy comes from getting things done," Fukuyama concluded.[45]

That, in fact, is the core challenge of public administration. As the bureaucracy gets caught between opposing sides in political conflicts, it often finds itself buffeted by efforts to rein in its power while, at the same time, the expectations on the bureaucracy's performance only increase. To get the government we want, we need experts who know how to deliver it for us. We want to control the power that these experts have. Air traffic control is a vastly complicated enterprise. So, too, is putting out fires and planning mass transit and managing so many of government's other important functions.

That leads to the biggest challenge we face in public administration. As Fukuyama puts it, we need to determine "how to protect necessary bureaucratic autonomy and yet retain ultimate political control and accountability of our bureaucracies. That balance is a difficult one to achieve." Indeed, both the theoretical exploration of this book and the many cases along the way point to the important balancing act that lies at the core of the field: effective government requires governmental power; responsive democracy requires control of that power, in pursuit of the public interest. The key to the ethics of public administrators is helping officials determine how best they can play that role. And the core of the politics of the administrative process is finding the best balance between power and accountability for governance in our time.

CASE 15.1: SCARY WORDS: GOVERNMENTS MUST START "DOING MORE WITH LESS"

Ronald Reagan famously said, "The nine most terrifying words in the English language are: I'm from the government and I'm here to help." The words are so famous that, decades later, it's possible to buy T-shirts with the words proudly displayed.

But columnist Bill Bott says there are four words even scarier: "Doing more with less." No saying, he argued, "strikes fear into the workplace like 'doing more with less' because we all know what we're really saying is you are about to get a whole lot less." For government employees, it means, "A whole lot less people, a whole lot less money, a whole lot less support, and a whole lot less enthusiasm for doing the work we love."[1]

The saying has been around for a long time. Vice President Al Gore used it to champion his "reinventing government" movement. The idea was simple: provide incentives for government workers to be more productive; government can produce more and better services while saving taxpayers money. In practice, the idea proved terribly hard to achieve. It was easy to cut programs to save money. It was possible to invest strategically to make service better. But it proved very, very hard to make government work better *and* cost less at the same time.

Bott has hope. It begins, he argues, with a change of philosophy. He says that "we need to lose the words accountability, blame and fault. We need to stop thinking of errors as a people mistake, or a mistake at all. An error is simply what happens when something didn't go down the quickest path the first time." Cut down handoffs of officials-to-officials-to-more-officials and focus on results, Bott says. Then cut down the time that citizens have to spend in line transacting business with government. The key, he says, is to "reduce the number of handoffs and subsequent CYA measures." By doing this, he said that the state of Washington's Department of Social and Health Services cut down waiting times for visits from three to four weeks to five to forty-five minutes. The average time to process benefits shrank from fourteen to eighteen days to four to eight days, with increased accuracy. That allowed the department to deal with a 40 percent increase in customer demand while absorbing a 24 percent budget cut.

That scenario might not fit Reagan's quip. But Bott suggests that citizens are in no mood for fewer services, and government has little choice but to improve its productivity if it is to meet the challenge of twenty-first-century government.

Questions to Consider

1. What do you think about the "doing more with less" line? Does it capture the reality of twenty-first-century government?
2. Which do you think fits public perception better: Reagan's quip or Gore's motto?
3. Now consider Bott's argument to move away from accountability, which suggests the effort to identify and root out error, and to move toward a system that focuses squarely on trying to streamline the process, to learn from mistakes, and to focus government more on serving citizens better. Is that a better meaning for accountability? Or are there things that this approach might miss?

Note

1. Bill Bott, "The Scariest Four Words in Government," *Governing* (October 25, 2010), http://www.governing.com/blogs/public-great/Scariest-Four-Words-in-Government.html.

CASE 15.2: WILL WE DRINK TO THAT? THE FLORIDA BOARD OF EDUCATION'S WAR ON CHOCOLATE MILK

As he prepared to take over as Florida's agriculture commissioner, Adam Putnam stopped a budding statewide movement. Over several years, Florida's Board of Education had championed efforts to take chocolate milk off school lunch menus.[1]

For kids, the dispute had already produced a big battle. The state had eliminated sugared sodas and cut down on desserts. The next target was chocolate milk. The problem, nutritionists said, wasn't the flavor—it was the extra sugar that came with it. Vanilla- and

strawberry-flavored milk each had 30 grams of sugar in an eight-ounce serving. Regular milk has just 13 grams. The American Heart Association recommends that children aged four to eight limit their sugar intake to 12 grams of sugar per day.

Most kids remember chocolate milk from their grade school days. Some of us enjoyed it during kindergarten snack breaks. But officials like state Board of Education member John Padget took a close look at the nutrition guidelines and concluded that the chocolate milk had to go.

Putnam called a time-out to give analysts at the state Department of Agriculture and Consumer Services a chance to consult with officials from the state Department of Education. Critics charged that Putnam was trying to pull the decision out from the Education Department and into the Agriculture Department because industry lobbyists thought they'd get a better hearing there. Putnam denied that there was any industry pressure. He described it as "Let's hit the pause button, and let's begin a new type of conversation and an unprecedented collaboration between the source of our food and one of the biggest providers of children's food—that being the school system." At the bottom, many political analysts suspected, was an effort to move the management of school lunches from the Education Department to the Agriculture Department. That shift, some critics said, was Putnam's move to satisfy the dairy industry, which had contributed to his campaign. According to some sources, only New Jersey and Texas have a similar structure.

The decision had big implications. In the 2010 school year, just the four largest school districts spent a total of $13 million on flavored milk, as students consumed 49 million half-pints of chocolate milk.

Some experts argued that the state ought to go far past chocolate milk to look at other items on school menus that had lots of sugar. Salad dressings, for example, often contain added sugar. Lora Gilbert, head of Orange County's cafeterias, concluded, "Rather than center on one food, really it's the whole diet you have to look at."

Questions to Consider

1. Do you think that government and its administrative agencies ought to get involved with the decision of which products to regulate?
2. The main mission of the Education Department is to produce a high-quality education for Florida's students. The main mission of the Agriculture Department is to promote agriculture and food safety. Which do you think would be the better home for resolving this question? Do you think it makes a difference which agency handles the question?
3. What implications does this debate have for accountability in government? There are crosscutting issues, multiple stakeholders, competing goals, and many government players. What is the public interest question in providing chocolate milk to school children? How should we sort it out?

Note

1. Denise-Marie Balona, "Next Agriculture Chief Stops State's Push to Bar Flavored Milk in Schools," *Orlando Sentinel* (December 25, 2010), http://www.orlandosentinel.com/health/os-fla-schools-ban-chocolate-milk—20101225,0,678391.story.

CASE 15.3: WEAPONIZING THE IRS

Two years after the end of the Trump administration, the president's former chief of staff, John Kelly, told a *New York Times* reporter that Trump had constantly pressured Kelly to demand the IRS investigate his political enemies. Trump had said "we ought to investigate" and "get the IRS on" several officials, including former FBI director James B. Comey and Comey's deputy, Andrew G. McCabe.

In its investigation, the *Times* found that both Comey and McCabe had been subjected for especially intrusive IRS audits. The IRS's inspector general, in charge of investigating issues inside the agency, said it would investigate. But the problem was ongoing, reporter Michael S. Schmidt wrote:

> Mr. Trump regularly made his demands in response to news reports in which he thought his perceived enemies made him look bad. The president would carry on about having them investigated to the point that Mr. Kelly thought he needed to tell the president that what he wanted was highly problematic, explaining, in sometimes heated conversations, that what Mr. Trump wanted was not just potentially illegal and immoral but also could blow back on him.[46]

But that didn't stop Trump, who regularly complained, both in public and in private, about both officials. Kelly added that Trump wanted the IRS to investigate former CIA director John O. Brennan, along with Hillary Clinton and Amazon founder Jeff Bezos, among others.

Kelly later explained,

> The U.S. government, whether it's the I.R.S. or the Justice Department, should never be weaponized or used to retaliate, and certainly not because someone criticizes you in the press or is your political opponent. . . . The average federal employee or F.B.I. agent or I.R.S. agent goes to work and executes the laws and regulations and shouldn't be put in this position. . . . He initially thought I would do it. He thought I would be loyal and obedient to him. I told him we were loyal to our oath to the Constitution.

Kelly said that he told Trump, "It's inappropriate, it's illegal, it's against their integrity and the IRS knows what it's doing and it's not a good idea," to which Trump replied, "Yeah, but they're writing bad things about me."

Kelly added that Trump sought to revoke the security clearances of former public officials who had been critical of him, including James R. Clapper, the former director of National Intelligence, and William H. McRaven, who commanded the raid that took out Osama bin Laden. "I don't want them making money," Trump said, according to Kelly.

A Trump spokesperson countered, "It's total fiction created by a psycho, John Kelly, who never said this before, and made it up just because he's become so irrelevant."

Questions to Consider

1. Assess the arguments, back and forth, in this case. What do you make of Trump's request? He is the chief executive of the United States. Does he have the right and the power to ask the IRS to focus its efforts on certain kinds of activities?
2. Kelly weighs two different kinds of loyalty: to the person he's working for, and to the Constitution. How would you address this dilemma?
3. Consider what you would do if you were in Kelly's situation. How would you handle the president's request?

KEY CONCEPTS

administrative confidentiality
appropriations committees
authorizing committees
executive privilege
fire alarm oversight
legislative review
police patrol oversight

FOR FURTHER READING

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SUGGESTED WEBSITES

Each federal agency annually publishes the reports required by the Government Performance and Results Act, which are available at **www.performance.gov/agencies**.

The Government Accountability Office website, **www.gao.gov**, is a treasure trove of reports on the performance of government agencies.

Finally, the Office of Management and Budget website, **www.whitehouse.gov/omb**, contains a great deal of useful information on the performance of government agencies, including the reports OMB requires in support of the annual budgetary process.

GLOSSARY

accountability: the process of holding administrators responsible for their actions, especially their compliance with the law and their effectiveness in managing programs.

administrative confidentiality: privacy protections afforded by government to individuals and organizations, and restrictions of access to internal records collected by governmental organizations.

administrative responsibility: the process of holding specific individuals within the bureaucracy responsible for specific actions.

administrative state: Dwight Waldo's term to describe the rising importance and power of bureaucracy in American democracy.

adverse selection: because, in some cases, subordinates have information their superiors do not—or vice versa—distortions in behavior and problems of accountability can result.

agencies: the generic term for public bureaucracies, which carry out public programs on behalf of policymakers.

agents: those who carry out policies on behalf of superiors (known as principals).

Antideficiency Act: the federal law that forbids government officials from spending money not specifically appropriated for a purpose. The act limits the discretion of administrators.

antitrust laws: legislation intended to promote free competition by eliminating the power of monopolies.

appropriations: the act of a legislature to approve money for spending by the executive branch.

appropriations committees: standing committees that manage the annual appropriations process.

areal (or prefectoral) system: an approach to government that structures its organizations by a particular geographic region.

artificial intelligence (AI): the use of machine learning and information technology to enhance the learning of organizations and to improve their service delivery.

at will: people who work in an at-will employment system, in which they can be fired at the discretion of managers.

authority: the basic skeleton of bureaucracy, through which a government, an agency, or an individual is vested with the rightful power to make decisions within constitutionally defined limits with the expectation of widespread compliance.

authorizing committees: standing committees that can initiate, review, and report out bills and resolutions in particular subject-matter areas.

auxiliary staff: the staff of an agency that provides basic housekeeping functions, including management of the personnel and budgetary processes.

Balanced Budget and Emergency Deficit Control Act: an act sponsored by Senators Phil Gramm, Warren Rudman, and Ernest Hollings and passed in 1985, which set automatic spending cuts if Congress and the president could not agree on budget reductions. Its goal was to eliminate the federal deficit by 1990. Also known as the Gramm-Rudman Act.

bargaining approach: a method of making decisions in which parties negotiate their differences. This approach seeks to maximize political support.

black budget: the spending authorized for secret government activities.

blended government: the increasing reliance of governments on private and nonprofit partners to implement public programs.

budget authority: legislative approval of programs and the ability to spend money, which must be supported by an appropriation.

bump: the practice whereby a higher-seniority government employee can force out a lower-seniority employee.

bureaucratic model: the traditional approach to bureaucracy, based on hierarchy and authority.

bureaus: the basic building blocks of governmental organizations.

buyouts: offers of lump-sum payments to government employees in exchange for their agreement to retire from government service.

cabinet: the collection of administrative departments, as well as those additional offices that the chief executive (such as the president) raises to that rank.

capital budgets: the portion of the budget for items with long useful lives, like roads and fire trucks.

chain of command: the line of authority from top policymakers through the hierarchy, which is used to define who is responsible for doing what.

charismatic authority: an approach to authority that relies on the personal magnetism of the leader.

civil servants: employees of government, generally covered by a legal system that defines their rights and responsibilities.

civil service system: the collection of rules and procedures that govern the employees who work in career positions in government.

class action: legal action taken by a small group of individuals on behalf of a far larger group of people who share the same complaint.

classical theory: typically refers to organizations that operate through hierarchies structured with authority.

clearance procedure: a method of cooperation among agencies that entails that an agency's proposed decisions in a subject-matter area be reviewed, whether for comment or for formal approval or veto, by other interested agencies.

closed-system theorists: those who advocate an approach to systems theory that focuses on the internal workings of the system.

collective bargaining: negotiation by members of a union over employee rights and compensation.

complexity: an organizational theory that emphasizes the importance of networked organizations, rapid change, and feedback to improve results.

continuing resolutions: congressional actions that continue the level of spending after the fiscal year at its current level while Congress and the president negotiate the details of a new budget.

continuous improvement: a management strategy devoted to developing ongoing feedback about an organization's results to enhance its success.

contracts: legal agreement in which a seller agrees to provide a good or service to a buyer for a mutually agreeable price. Government has increasingly relied on contracts with private-sector experts and outside organizations for the delivery of public services.

control staff: the staff of an agency that helps top officials maintain a check on the behavior of other agency employees.

coordination: the process of orienting the activities of individuals and organizations so they are mutually supportive.

core staff: the staff of an agency that provides basic support to the agency's line activities.

cost-benefit analysis: a comparison of the expenditures required for a program with the gains it produces. An example is risk assessment.

customer satisfaction: the effort to ensure that government focuses squarely on the needs and desires of those served by its programs.

customer service movement: a management strategy devoted to focusing an organization's efforts on improving the satisfaction of its "customers"—those who benefit from its goods and services.

debt: money borrowed by the government in the short term and repaid in the long term.

deficit: the excess of expenditures over revenues in any given fiscal year (compare *surplus*).

delivery frameworks: strategies for translating an elected executive's policies into results, usually supported by performance data.

direct administration: the provision of government goods

and services by government organizations themselves, as compared with indirect administration, in which goods and services are provided through grants, contracts, tax incentives, or other multiorganizational/multisectoral policy strategies.

direct tools: instruments of government action through which government agencies themselves provide government goods and services.

diversity, equity, and inclusion: a commitment to recognizing and protecting individuals who have been traditionally marginalized throughout history.

downsizing: a focus on reducing the size and cost of government operations, especially through reductions in the workforce.

economic regulation: the portion of public-sector rulemaking that affects the behavior of private markets (compare *social regulation*).

efficiency: a measure of the level of inputs required to produce a given level of outputs.

e-government: a strategy of using information technology, especially the internet, to make it easier for citizens to interact with government.

entitlements: governmental programs through which an individual is automatically guaranteed services—typically, a payment—because the individual meets requirements set in law.

ethical behavior: the adherence to moral standards and avoidance of even the appearance of unethical actions.

executive leadership: strategic direction provided by the top officials of an organization.

executive privilege: the claim by presidents that communication with aides is protected from outside scrutiny, including investigation by Congress.

exit: the decision by members of an organization to leave, especially because they disagree with policies and programs.

Externalities: a term from economics to describe effects of activities on those not directly involved in a market transaction. A factory, for example, might sell its products to buyers, but the pollution it produces is a cost that those living in surrounding areas might have to bear. Also called spillover.

federal grants: transfer of money from the federal government to state and local governments in pursuit of national objectives.

Federalism: the system of intergovernmental relations among the federal, state, and local governments, created by the founders of the country.

Federal Register: the federal government's daily publication, now online, which contains all proposed and final regulations by federal agencies.

feedback loop: an element of systems theory that connects the outputs an organization produces to its inputs.

fire alarm oversight: a strategy of legislative oversight of bureaucracy based on instigation and response to crises and problems (compare *police patrol oversight*).

fiscal accountability: a method of accountability that focuses on the flow of money through an organization.

fiscal policy: decisions about government spending and taxing, and their effect on the economy's performance (compare *monetary policy*).

fiscal year: the government's budget year (starting October 1 for the federal government and July 1 for many state and local governments).

formal approach: a theory of bureaucracy that relies on a rigorous model of the relationships between actors, especially between principals and agents.

function: the specific role or duty performed by a part of an organization.

furloughs: days off without pay for federal employees.

General Schedule: the strategy by which government uses a wide collection of indirect tools, including contracts, regulations, and loan programs, to implement public policies.

government-by-proxy approach: the rise of government's use of indirect tools of public action (including contracts, grants, regulations, and special tax provisions) to pursue public goals.

government corporations: organizations that perform public functions but that are organized—and operate—like private companies, with a profit-and-loss bottom line

(including Amtrak and the Federal Deposit Insurance Corporation).

grade creep: the tendency for agencies to increase over time the number of top administrative positions and to seek higher classifications for existing positions.

Hatch Act: federal legislation passed in 1939 restricting political activity by government employees. Also called "An Act to Prevent Pernicious Political Activities."

hierarchy: the relationship between levels of a bureaucracy.

human capital: an approach to management that focuses on identifying the skills employees need to accomplish an organization's work and in developing those skills to ensure that they produce strong and effective governmental programs.

humanist approach: a strategy of management that builds on interpersonal relationships and relies on motivating individuals toward high performance.

human relations movement: an approach to organizations that holds that the relationships among individuals, especially in motivating employees, are the most important element of organizational theory. Also called the humanist approach.

implementation: the process of transforming policy goals into results.

incrementalism: an approach to budgeting focused on the base of spending, plus fair-share increases.

independent agencies: governmental organizations that exist separately from the cabinet departments.

indirect tools: the provision of public goods and services by nongovernmental partners (and partners outside the level of government creating a program) through instruments like grants, contracts, regulations, and special tax provisions.

information asymmetry: subordinates sometimes know more about important issues than their superiors, which can create challenges to holding them accountable.

inputs: the resources, especially money and employees, that organizations use in producing outputs.

interagency agreements: mutual understandings reached by several organizations, which detail the contributions each organization will make to a common goal.

interagency committees: committees that exist to promote collaboration between jointly occupied areas at the cabinet, subcabinet, and bureau levels.

iron triangle: a theory that suggests agency managers, congressional committees and subcommittees, and interest groups work closely to shape policy, and that their shared work is more important than other forces on the process.

lead agency formula: a method of cooperation wherein one agency is designated to lead and attempt to coordinate all agencies' activities in a particular area.

legislative review: the official term for legislative oversight.

legitimacy: the belief that the government has a right to govern.

line activities: those actions that contribute directly to the mission of an organization (compare *staff activities*). Also called operating activities.

loan programs: an indirect tool of government that seeks to fund public goals by making credit available to individuals and organizations, either by the government making a direct loan or by the government guaranteeing the repayment of a loan made by a private organization.

macroeconomics: the use of tools to steer the overall growth of the economy.

Magna Carta: the compact signed by King John of England in 1215, which established basic limits on the power of the king.

management by objectives (MBO): a strategy in which managers chart quantitative objectives for a program to accomplish in the coming year, which in turn determines the budget required for the program.

mandate: a policy in intergovernmental relations in which the federal government imposes conditions on state and local governments, especially when attached to intergovernmental grants.

monetary policy: decisions by the Federal Reserve on interest rates and the money supply, and their effect on the economy's performance (compare *fiscal policy*).

moral hazard: the tendency to take more risks when someone else bears the costs.

national debt: the net deficit that accumulates over time.

network analysis: an approach to organizational theory that focuses on the relationships among organizations in sharing responsibility for programs.

networks: interrelated collections of organizations and individuals that share responsibility for the production of goods and services.

neutral competence: the public administration principle that administrators ought to perform their jobs to the highest possible level, without political favoritism.

neutrality doctrine: the principle that public administrators ought to manage programs without political favoritism.

NIMBY phenomenon: the aversion of citizens to projects they perceive will have a direct negative effect on them and their local area (short for "not in my backyard").

nonprofit: society's third sector, in addition to the public and private sectors. Some nonprofits charge fees, some receive grants and contracts from the public and private sectors, and others receive voluntary contributions; many operate under a combination of all three revenue sources. Nonprofits exist to serve social purposes, instead of making profits (like private organizations). They operate outside the public sector, but often help implement governmental goals.

open-system theorists: those who advocate an approach to systems theory that focuses on the relationship of the system with the environment.

organizational cultures: the ethos and philosophy that shape the behavior of individuals within an organization.

organizational structure: the arrangement of elements within an organization.

organizational theory: the collection of concepts that seeks to describe and predict the way that organizations—and the people within them—act.

outlays: expenditures that occur within any given fiscal year.

outputs: the goods and services that an organization produces.

oversight: review of the behavior of individuals within organizations, and organizations themselves, by those with authority over them. In public administration, the term is used most commonly to refer to the review of administrative acts by legislatures.

participative decision-making approach: a strategy of decision-making that attempts to build support for decisions by including those affected in the decision-making process.

performance management: a strategy of using metrics to track the implementation of public programs, with the goal of improving results.

performance measure: assessment of success, of organizations and individuals, in achieving the goals set for them.

Planning-Programming-Budgeting System (PPBS): a budgeting system first introduced in the federal government in the early 1960s, which seeks rational decisions through identifying goals, developing those goals into programs, and translating the programs into a long-term budget plan.

pluralist approach: an approach to organizations that focuses on the interaction of political forces in shaping organizational behavior.

police patrol oversight: a strategy of legislative oversight of bureaucracy based on regular, routine reviews of administrative practice (compare *fire alarm oversight*).

policy evaluation: the assessment in the long run of a program's effectiveness and efficiency in achieving its goals.

policymaking: the process of defining the goals that public organizations are charged with seeking. Also referred to as policy formation.

politics-administration dichotomy: the notion, advanced by Woodrow Wilson in a famous 1887 article, that the tools for administering public policy can be separated from the politics of making it. It is often used as the foundation for neutral competence, the idea that administrators need to have the capacity to administer programs, regardless of their political roots.

position classification: the identification of the specific knowledge a job requires, the job's level of difficulty, and the job's responsibilities.

President's Private Sector Survey on Cost Control: a commission appointed by President Ronald Reagan and chaired by industrialist J. Peter Grace, which focused on efforts to reduce the costs of government, especially by eliminating federal governmental programs and relying more on contracting out. Also called the Grace Commission.

principal-agent theory: a formal approach to organizations that focuses on the relationship between principals and agents.

principals: the superiors who shape the behavior of agents.

process accountability: a method of accountability that focuses on how an organization pursues its objectives.

program accountability: a method of accountability that focuses on an organization's achievement of its policy objectives.

Progressives: reformers who campaigned for stronger government regulation to protect citizens from private power and more public programs to improve the lives of ordinary Americans.

public administration: the process of translating public policies into results.

public-choice approach: a method of decision-making that assumes individuals pursue their self-interest and derives propositions about their behavior—and the behavior of organizations—from this assumption. According to this approach, individuals are best motivated by market forces.

rational approach: the theory of decision-making focused on defining goals and finding the most efficient way of accomplishing them.

rational decision-making: a method of decision-making that seeks the most efficient solution for problems.

rational-legal authority: an element of traditional organizational theory that focuses on hierarchy and authority to accomplish an organization's goals.

red tape: a colloquial term for government regulations that tend to impose large costs with few benefits. The term comes from Civil War–era documents, which were tied up with red ribbons.

reductions in force (RIFs): involuntary layoff or termination of government employees.

reengineering: a strategy for improving an organization's results by transforming the organization's basic processes.

regulations: rules set by government to govern the behavior of individuals and organizations.

regulatory commissions: government organizations, typically independent agencies, whose function is to write and enforce rules governing private-sector behavior and whose policies are set by a multimember board.

reinventing government: the Clinton administration's strategy for producing "a government that works better and costs less."

representativeness: the degree to which the employees of a government agency, or of the government overall, reflect the demographic makeup of society at large.

reskilling: training designed to help midcareer employees develop new skills or upgrade their existing skills to meet the demands of the changing workforce.

risk assessment: a type of cost-benefit analysis that evaluates whether to regulate risks based on the trade-offs between expenditures and gains.

risk management: the process of forecasting risks and devising strategies for avoiding or reducing them.

rule of anticipated reactions: a strategy by executives to frame their budgetary requests according to how they believe legislators will react to them.

rule of law: the structure of legal process and precedent that frames agreed-upon strategies for resolving complex social, economic, and political problems.

rule of three: the civil service regulation that stipulates employers may only choose between applicants who have been ranked in the top three for a government position.

satisficing: a strategy of decision-making that seeks a satisfactory (not necessarily the best or most efficient) alternative.

scientific management movement: an approach to bureaucracy that seeks to improve

performance by improving efficiency, especially in transforming inputs into outputs.

sequestration: automatic cuts in federal spending imposed if Congress and the president fail to reach agreement on a budget that meets legislated spending targets.

skill gaps: the distance between the government's human capital needs and the existing capacity of its employees.

social regulation: the portion of public-sector rulemaking that affects the health, safety, and well-being of citizens (compare *economic regulation*).

span of control: the number of subordinates overseen by a supervisor.

special-purpose governments: governments, mostly local, created to pursue particular functions, like airport operations, garbage collection, or education.

spillovers: a term from economics to describe effects of activities on those not directly involved in a market transaction. A factory, for example, might sell its products to buyers, but the pollution it produces is a cost that those living in surrounding areas might have to bear. Also called externalities.

staff: the common term used to refer to the employees of an organization, not to be confused with staff activities. Sometimes also called pure-staff to distinguish from auxiliary and control staff.

staff activities: those actions (like personnel and budgeting) that support the mission of an organization (compare *line activities*).

standing: the legal provision that allows someone to sue only if they have been directly affected by an action.

structure: a formal arrangement among the people engaged in the organization's mission.

surplus: an excess of revenues over expenditures in any given fiscal year (compare *deficit*).

system boundaries: the border between a system and the rest of the environment.

system purpose: the function for which a system exists.

systems theory: an approach to organizations that focuses on how they translate inputs into outputs.

tax expenditures: special advantages in the tax code to create incentives for behavior the government wants to encourage. Tax expenditures include deductions (in which individuals can reduce their income by the amount of an expenditure, such as a home mortgage) and credits (in which individuals can reduce the tax due by the amount of an expenditure, such as payments for child care).

Taxpayer Bill of Rights (TABOR): Colorado's effort to reduce the growth of state government. The strategy has since been debated in other states as well.

telework: the practice of allowing employees to work from home, using the internet and telephone.

throughputs: in systems theory, the process of transforming inputs into outputs.

total quality management (TQM): a strategy for improving an organization's results by focusing all of its processes and employees on the goal of increasing the value of the organization's work.

traditional authority: an orientation toward authority that relies on a belief in the sacredness of long-standing customs and that relies on the loyalty of individuals to someone who has become a leader in a long-established way.

transaction costs: the expenses, in time and money, incurred in how an organization conducts its operations.

uncontrollable expenditures: outlays required by law, typically for formula-based payments to individuals (e.g., Social Security). The expenditures are not strictly speaking uncontrollable; they can be changed by law, but such changes are difficult and frequently take a long time.

unionization: the effort by organized unions to increase their membership and bargaining power in government.

unity of command: the principle that individuals within organizations answer to a single supervisor in order to prevent confusion about the lines of authority.

user fees: a form of revenue collection in which citizens are assessed fees to pay for government services from which they benefit.

voice: the decision by members of an organization to remain within an organization and protest policies and programs with which they disagree.

Washington Monument ploy: a tactic used by administrators to shield themselves from budget cuts by threatening to eliminate their most popular programs (like tours of the Washington Monument) if legislators reduce appropriations.

whistleblowers: individuals who divulge details about the behavior of other members of their organization who might be in violation of the law.

zero-base budgeting (ZBB): a budget strategy that rejects incrementalism and asks administrators to analyze the implications of different packages of spending, from substantial reductions in current spending (the base) through significant increases.

NOTES

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CHAPTER 4

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8. Weber, *Theory of Social and Economic Organization*, 328.
9. Weber, *From Max Weber*, 209.
10. Weber, *Theory of Social and Economic Organization*, 330.
11. Ibid., 337.
12. Weber, *From Max Weber*, 196–197.
13. See Talcott Parsons's introduction to Weber, *Theory of Social and Economic Organization*, 56, 58–60n.
14. Systems theory and its organizational derivatives are more fully treated in Katz and Kahn, *Social Psychology of Organizations* (New York: Wiley, 1978), 17–34; and Chadwick J. Haberstroh, "Organization Design and Systems Analysis," in *Handbook of Organizations*, ed. James G. March (Chicago: Rand McNally, 1965), 1171–211.
15. Systems theories vary in attentiveness to authority. For a work that does incorporate authority and its hierarchical structuring in a systems framework, see Katz and Kahn, *Social Psychology of Organizations* (New York: Wiley, 1978), esp. 199–222.
16. Frederick Winslow Taylor, *The Principles of Scientific Management* (New York: Harper and Brothers, 1911; Mineola: Dover, 1998). See Fry, *Mastering Public Administration*, 47–72.
17. Taylor, *Principles of Scientific Management*, 28.
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24. Douglas McGregor, *The Human Side of Enterprise* (New York: McGraw-Hill, 1960), 33–57.

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26. Lawrence B. Mohr, *Explaining Organizational Behavior: The Limits and Possibilities of Theory and Research* (San Francisco: Jossey-Bass, 1982), 125–53; and Bass, *Stogdill's Handbook of Leadership*, passim.

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CHAPTER 11

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11. See Charles O. Jones, *An Introduction to the Study of Public Policy*, 3rd ed. (Monterey: Brooks/Cole, 1984), esp. chap. 6.
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13. This follows Hugh Heclo's argument in "Issue Networks and the Executive Establishment," in *The New American Political System*, ed. Anthony King (Washington, D.C.: American Enterprise Institute, 1978), 87–124.
14. Stone, *Policy Paradox and Political Reason*, 309.
15. Donald W. Taylor, "Decision Making and Problem Solving," in *Handbook of Organizations,* ed. James G. March (Chicago: Rand McNally, 1965), 70.
16. Charles E. Lindblom, "Still Muddling, Not Yet Through," *Public Administration Review* 39 (November–December 1979): 518. Lindblom himself has been subjected to vigorous counterattack.
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CHAPTER 12

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CHAPTER 13

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